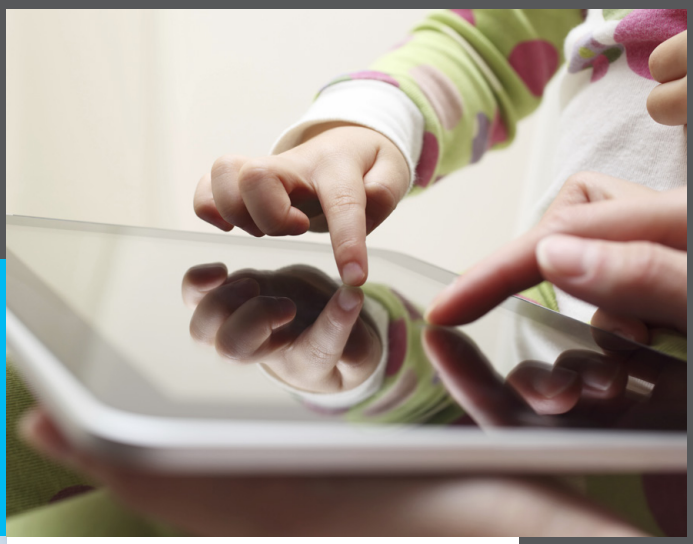
REALIZING POTENTIAL



GLOBAL HIGHLIGHTS
REVIEW 2013/14

Advent International
GLOBAL PRIVATE EQUITY

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REALIZING POTENTIAL

We commit a high level of resources to help our portfolio companies grow.

Leveraging the expertise we have developed in our core sectors, we work closely with management teams to find innovative ways to turn the potential within each business into sustainable earnings growth.

OUR YEAR IN NUMBERS

In this our 30th year of private equity investing, we continue to focus on the sectors we know well and invest in companies where we see opportunities for meaningful change and improvement.

Our in-depth industry knowledge means we are often early to spot potential and are well-resourced to help our businesses achieve their goals.

Our experience, global reach and collaborative culture are important assets in helping management teams realize the potential in their businesses. We work in partnership with them to achieve sustainable growth.

$2.2BN*
INVESTED

$7.8BN**
REALIZED

$32.0BN†
ASSETS UNDER MANAGEMENT

16*
NEW AND FOLLOW-ON INVESTMENTS

22*
FULL AND PARTIAL REALIZATIONS

*BETWEEN JANUARY 1 AND DECEMBER 31, 2013

* NEW AND FOLLOW-ON INVESTMENTS BETWEEN JANUARY 1 AND DECEMBER 31, 2013

** FULL AND PARTIAL REALIZATIONS BETWEEN JANUARY 1 AND DECEMBER 31, 2013

† AS OF DECEMBER 31, 2013

MESSAGE FROM OUR PARTNERS

Realizing value is only one objective. We also judge our performance on the lasting benefits we bring to the businesses in which we invest.

2013 proved to be a year of both record realizations and renewed challenges. Favorable refinancing and equity markets drove outstanding exit conditions. The same overheated debt markets, however, increased deal pricing across the globe, making investment opportunities harder to find. Continued soft growth across Europe and an uneven macro environment in emerging markets also tested the agility of our organization. Nevertheless, by maintaining a focus on our core industry sectors and regions, our team made headway on new deals and supported our portfolio companies in strengthening and expanding their businesses.

Capturing the value that we have created is a key goal in the development of the companies that we own, and in 2013 we realized a record $7.8 billion in proceeds from the sale or refinancing of numerous businesses. The foundation for much of this achievement lay in the earlier IPOs and continued strong financial performance of Vantiv, Five Below, Kroton, International Meal Company (IMC) and Dufry, demonstrating our commitment to creating sustainable businesses for the long term. The perseverance of our deal professionals and portfolio company management teams was also rewarded with several significant sales of

investments to strategic and financial buyers. The three largest of these transactions were ABC Supply, Domestic & General and Oxea.

Despite the difficult investment environment, we completed six interesting new deals in our core sectors in North America, Europe and Latin America last year and closed or signed three further transactions in the first quarter of 2014 (see list on p.7). We also worked hard on refining our sector strategies, adding new sub-sectors, building deal pipelines and cultivating our top company prospects; all of which should yield results in the future even if market conditions remain challenging.

In our existing portfolio, our deal teams and Portfolio Support Group continued to work closely with our management teams and operating partners to improve operations and drive top-line growth. Additionally, taking advantage of the favorable debt markets, a number of our portfolio companies refinanced their debt, allowing them to reduce costs, improve terms, fund acquisitions and pay dividends to shareholders. All of these efforts enabled the businesses in our portfolio to achieve average revenue and earnings growth of 9% and 11%, respectively, in 2013 despite the challenging macro conditions.

Throughout the year, we continued to strive to improve our own organization, adding people, refining systems and redeploying resources where they were most needed. To that end, we further strengthened the teams in our Shanghai and Bogotá offices and continued to roll out our portfolio support program by adding professionals to this global team. We also hired a dedicated individual to support our capital markets capabilities. At year end, we promoted 18 members of the global deal team, including three to Managing Partner and three to Managing Director. Our Operating Partner Program continued to evolve in 2013 with the addition of some highly experienced former CEOs and increasing operating partner involvement in our deal sourcing.

Finally, in 2013 we were proud to receive several industry awards recognizing the professionalism, talent and achievements of our team. We would like to thank our portfolio company management teams, operating partners, investors, intermediaries and advisors for their support and commitment to the high standards that have allowed us to gain this recognition and look forward to our continued partnership in the years ahead.

THE ADVENT PARTNERS, MARCH 2014

BUSINESS REVIEW

Through persistent focus on growth and operational improvement initiatives, we seek to partner with management teams to increase earnings and build businesses with long-term sustainable value.

OPERATING HIGHLIGHTS

2013 was a successful year for Advent in terms of capturing the value in our portfolio companies. Capitalizing on strong exit conditions and favorable debt markets globally, we realized $7.8 billion in proceeds, mainly through the sale of shares in post-IPO companies, sale of businesses to strategic and financial buyers and refinancing of portfolio company debt.

A number of our companies completed recapitalizations during the year, taking advantage of the debt markets to reduce the cost of leverage, change structures, improve terms and raise capital for acquisitions. In most cases, the leverage levels were prudently raised only to near the original deal multiples.

Following through on the value creation plans we established with management, our portfolio companies made good progress during the year, achieving earnings growth of 11% and revenue growth of 9% on average. The majority of earnings improvements were driven by revenue growth initiatives.

Within our industry sectors, we completed six new investments in 2013 and signed or closed three more deals in the first quarter of 2014, despite challenging market conditions. We also identified some interesting new areas for our sector and regional deal sourcing activities.

In a continued drive to improve our own firm, we invested significantly in people, financial, compliance and administrative operations and launched a number of initiatives to improve communications with our investors. We continued to roll out our portfolio support program, establishing 19 program management offices at portfolio companies to facilitate best practices and support the implementation of value creation plans.

NORTH AMERICA

While the overheated debt markets pushed up deal pricing in North America last year, slowing investment activity across the industry, we were able to complete two new investments. P2 Energy Solutions provides critical software and data solutions to the oil and gas industry. The company is well-positioned to expand its existing customer base, further develop international operations and add new products. The Coffee Bean & Tea Leaf is an independent specialty coffee and tea retailer with over 900 stores in nearly 30 countries. We see potential to create value by improving the operations of this formerly family-run business, accelerating new store openings and continuing to expand internationally, particularly in Asia.

Notable realizations in North America last year included the further sale of shares in two public companies, payment processor Vantiv and value retailer Five Below. We subsequently sold our remaining stake in Vantiv in March 2014 but still own shares in Five Below to take advantage of potential future growth. Additionally, the merger of Bradco Supply and ABC Supply in 2010 created America's largest roofing products distributor and enabled significant earnings improvements, allowing us to sell our minority stake in the business to the majority shareholder in 2013.

So far in 2014, we have agreed to sell eLearning content provider Skillsoft to another private equity firm. The sale follows several years of significant growth driven by new product development, international sales and acquisitions.

EUROPE

Investment conditions in Europe remained challenging in 2013 with slow growth and a lack of primary deal flow. Despite this environment, we completed two new acquisitions in the region last year and closed or signed two further deals in early 2014. With Mediq, a Netherlands-based international provider of medical products, pharmaceuticals and associated care, our goal is to further strengthen the company's position in the Dutch pharmacy market and expand the international homecare division. The transaction marks the second straight year in which Advent completed the largest public-to-private deal in Europe. Belgium-headquartered Allnex, a carve-out from Cytec Industries, develops, produces and sells synthetic resins for the production of paints and coatings as well as

printing inks. The deal was a joint effort between Advent's Frankfurt and New York teams. We are working to improve margins through the carve-out effect, widen the company's global footprint and continue its push towards higher-value-added products.

In March 2014, we completed the acquisition of UNIT4, a leading global mid-market enterprise resource planning software vendor currently listed on Euronext Amsterdam. The same month, we also announced that we had agreed to acquire Nets in partnership with ATP and Bain Capital. Nets, headquartered in Copenhagen is a leading Northern European provider of payments, information and digital identity solutions.

We fully realized our investments in six companies in Europe over the last 15 months. In December we sold Domestic & General, a provider of extended warranty plans, to another private equity firm, after working with the management team to develop this UK business into Europe's market leader in the sector. The same month, we completed the sale of Germany-based Oxea, the global market leader in oxo chemicals and derivatives, to the Oman Oil Company, following successful efforts to diversify the company's activities, increase capacity and expand internationally. We also completed the sale of Deutek, Romania's largest manufacturer of decorative paints and coatings to Axxess Capital, and in early 2014 we sold Isida, one of Ukraine's leading medical treatment and healthcare providers. Since our investment in 2011, we supported Isida in adding new specialities, repositioning the business to a new customer segment and opening new outpatient clinics.

LATIN AMERICA

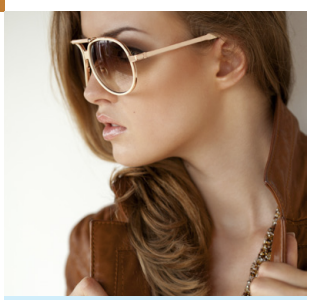
Highlighting developments in Latin America last year was an increase in investment activity in Colombia, where we completed three deals, including a strategic acquisition for an existing portfolio company. One new investment, Ocensa, Colombia's largest crude oil transportation system, operates the main pipeline between the country's Llanos region and the Atlantic Coast, moving approximately 60% of the nation's crude oil production. The transaction, co-led by Advent's Bogotá and Boston teams, is our fourth deal in the energy sector in the last three years and first mid-stream oil and gas investment. Alianza Fiduciaria, Colombia's largest independent trust and custody services provider and asset manager, serves underpenetrated markets that are growing fast as they catch up with global and regional norms. Our local team was able to leverage the global work in asset management completed by Advent's financial services team to help secure this transaction which closed in early 2014.

In Brazil, we teamed up with another financial sponsor to acquire Dudalina, one of the country's leading manufacturers and retailers of high-end apparel. We are working with management to expand the company's retail operations, drawing on our extensive experience in this sector.

In terms of exit activity, we fully realized our positions in four companies over the past 15 months: global travel retailer Dufry and education company Kroton (both public), through block trades, and specialized financial services provider Monte de México and industrial laundry company Atmosfera, through trade sales. We also sold a portion of our shares in the publicly listed restaurant chain International Meal Company (IMC) in a block trade.

ASIA PACIFIC

2013 saw the formal opening of Advent's Shanghai office as a base in Greater China. The team there has already provided important support to the wider Advent portfolio, assisting two of our new global deals, and has made good progress in building a pipeline of interesting investment opportunities. In India, the team continued to drive our value creation plans at CARE Hospitals, supported an acquisition for a US portfolio company and completed the sale of CAMS, a leading Indian provider of outsourced back-office processing for mutual funds, to the National Stock Exchange of India (NSE) in early 2014.



NEW INVESTMENTS
Alianza Fiduciaria
Allnex
The Coffee Bean & Tea Leaf
Dudalina
Mediq
Nets*
Ocensa
P2 Energy Solutions
UNIT4

FULL EXITS
ABC Supply
Atmosfera
AVIP
BondDesk
CAMS
Deutek
Domestic & General
Dufry
Isida
Kroton Educacional
Monte de México
Oxea
RWE Solutions (Nukem)
Skillsoft*
Vantiv

PARTIAL EXITS/ REALIZATIONS
Bojangles'
Charlotte Russe
DFS
Equiniti Group
Five Below
International Meal Co. (IMC)
KAI Group
Party City
Terminal de Contêineres de Paranaguá (TCP)
Tinsa
WorldPay
WSIP

*Subject to closing

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investments in the sector through our buyout programs

SECTOR FOCUS

BUSINESS AND FINANCIAL SERVICES

The Business and Financial Services sector is extremely diverse and subject to a wide range of external factors including the de-leveraging of the banking system after the financial crisis, increasing regulation, and the deepening penetration of IP technology in product and service delivery. Valuations have risen sharply and attractive investment opportunities remain scarce.

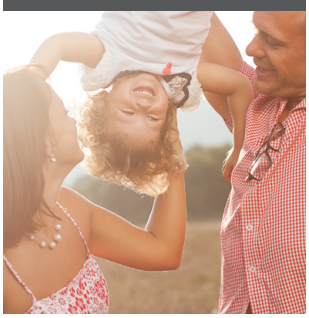
Nevertheless, Advent continues to devote significant resource to the sector, consistently focusing on a group of service providers, transaction processors and software companies that tend to have technology at their heart. Market growth is a common thread to our activities across geographies. We look for secular growth underpinned by robust trends, strong business models with high margins and cash generation, and transformational opportunities from carve-outs and under-invested state-owned and family businesses. The regulatory environment is also a very important driver as increasing regulation forces restructuring and divestitures from large financial institutions and spurs the growth of companies that assist their clients with regulatory compliance.

Our sourcing efforts are focused around four main themes: In payment processing we anchor our growth thesis around cash and checks being replaced by electronic payments – a secular trend that withstood the downturn in consumer spending and we believe has years more to run. In niche insurance we see areas of growth and opportunities for re-engineering particularly in distribution and the back office. Back office administration and services benefit from the trend for outsourcing and the need for scale, trends that Equiniti is taking advantage of to provide high volume administration services to public and private sector customers in the UK. We continue to focus on carve-outs from financial institutions, especially in Europe, where we have seen deal flow improve. We use our strong track-record from deals like Vantiv and WorldPay to actively target new opportunities, and not just in payment processing.

On the development side, we continue to spend time on financial technology, especially in the US and in software. A new development cell for 2014 is testing, inspection and certification (TIC) services, particularly in Europe. This is a high growth but fragmented market, driven by increasing regulation and the requirement for companies to prove their adherence to standards. Finally, in emerging markets, we are also looking at fast-growing asset management and asset servicing businesses. InverCap and Alianza Fiduciaria are two recent investments that are able to capitalize on population growth and the increasing penetration of financial products in Latin America.

CASE STUDY
INVERCAP HOLDINGS

PARTNERING
Positive change in developing markets



Driven by labor reform and a young demographic, Mexico's emerging pension system is one of the fastest-growing in the world. With a disproportionately high number of workers to retirees in the country, the potential for inflows into pensions is significant compared to outflows, and sustainable as the working-age population is set to rise further.

We invested in Monterrey based InverCap in November 2012, attracted by the company's strong market position and its prospects for growth. Founded in 1997, InverCap's main subsidiary, Afore InverCap, manages one of Mexico's best-performing pension funds.

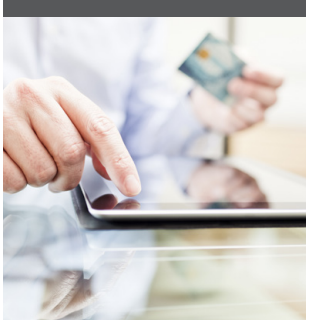
Over the past year, we have supported InverCap in enhancing management and streamlining operations, strengthening controls and improving reporting procedures.

Adding 1,300 agents and 16 new branches, the company is well ahead of its sales expansion plan. We are also forging systemic opportunities to increase contribution levels in line with global standards and win approval of new investment models through regulatory change.

Today, InverCap invests the retirement savings of approximately three million employees, with total assets under management of over $10 billion. Our goal is to partner with InverCap in its continuing success.

CASE STUDY
VANTIV

DEVELOPING
Strong foundations for long-term success



Vantiv (formerly Fifth Third Processing Solutions) is one of the largest providers of payment processing and technology solutions for businesses worldwide. The company supports more than 400,000 merchant and financial institution locations and 12,000 ATMs across eight countries and 46 states in the US.

Prior to our investment in June 2009, the business was a large, but non-core division of Fifth Third Bank, with a shared IT platform and reliance on the bank for both referrals and key management functions. Our goal was to carve out the division and fulfill its potential to become an independent market leader, able to grow faster than the market.

Over two years, we worked with the CEO to build a new management team, achieved the highly complex separation of shared technology and diversified the merchant customer referral channels. Looking for strategic growth opportunities, we completed and integrated four acquisitions that significantly extended the company's scope and capabilities: National Processing Company (NPC), TNB Card Services, Springbok Services and Litle. In 2011, rebranded as Vantiv, the company moved to independent headquarters preparing for its IPO. Vantiv (VNTV) became a publicly-traded company listed on the NYSE in March 2012. Since then, Vantiv has continued to substantially outperform its peers in share price and is now the second largest merchant acquirer in the world.

We sold our remaining shares in Vantiv through a secondary offering in March 2014.

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investments in the sector through our buyout programs

SECTOR FOCUS

HEALTHCARE

Healthcare has been a busy area for Advent in recent years, and one of ongoing change as rising costs, tightening regulations and increasing demand have led to unprecedented levels of healthcare reform. Across Europe and the US with debt as a percentage of GDP running at all-time highs, the healthcare systems face the continuous challenge of providing more for less. In addition, consumer engagement is growing with a dawning recognition that patients will need to bear a higher percentage of the cost of their own care. Expectations are also enhanced as patients use the internet to access better and more information than ever before. Corporate restructuring is another key influence, where diversified conglomerates are being forced to determine their core business.

Globally, these pressures are set to increase further as the population ages, the demand in emerging markets develops, and scientific and technological advances increase life expectancy, leaving more people facing chronic illnesses such as diabetes. In the US alone, the number of people over 65 is forecast to grow by 57% in the next 15 years - a clear illustration of this trend.

However, while healthcare spend has grown above GDP in recent years, some of these pressures are starting to bring spending under control. Consequently, we are interested in targets that deliver value for both payers and providers through improving management and processes, shifting the location of care to more cost-efficient locations, or better facilities, technology and service. The three major areas that we continue to focus on are pharma, healthcare services and medtech. Regions showing high-volume growth, such as emerging markets, are particularly attractive where we see large population growth, under-penetration of healthcare and a growing middle class which increasingly desires better and more medical resources.

When we look for investments, we concentrate on three main themes: We identify a clear value proposition for the payer while maintaining high quality standards (Connolly is a great example which is taking costs out of the system for the benefit of the payer); we look for companies with the potential to drive operational improvements and/or buy-and-build strategies and we invest in proven science and technology. We believe this focused strategy helps us to identify unique opportunities like American Heart of Poland (AHP), where future growth is underpinned by specialist care, and Mediq, which offers multiple expansion routes and long-term consolidation.

CASE STUDY
AMERICAN HEART OF POLAND (AHP)

INVESTING
In specialist medical services

Historically, cardiovascular diseases have claimed thousands of lives unnecessarily in Poland each year, with poor diagnosis and a lack of available treatment primarily to blame. In 2000, American Heart of Poland Clinics (AHP) was established by a group of prominent doctors from Poland and the US to introduce state-of-the-art cardio services and 24-hour facilities to lead the way in addressing this need.

Since then, AHP has pioneered a wide range of services from medical advice, diagnosis and treatment to rehabilitation. In 2013 alone, 39,000 patients received its specialist care. The group now has more than 20 fully-equipped clinics, including a department of cardiac surgery with a hybrid operating theatre that meets international standards and a pioneering network of independent catheterization laboratories.

Investing in 2011, we committed to using our resources and healthcare expertise to support the business in its continued growth. Focusing particularly on cardiac and vascular surgery and rehabilitation, we see great opportunities to develop AHP's comprehensive approach to the treatment of cardiovascular diseases and to expand on its significant achievements to date.

CASE STUDY
MEDIQ

RESTRUCTURING
From public-to-private, driving sustainable growth

Founded in 1899, Mediq is a leading European healthcare product distribution business delivering pharmaceuticals, medical devices and related care services through three channels: direct to patients, healthcare providers and via Mediq pharmacies. Based in the Netherlands, the business operates across 15 markets.

Mediq's strong position in the highly-fragmented medical distribution industry, along with its recent drive for international expansion, offered significant opportunities for scale benefits and future global consolidation. Coupled with growing healthcare spend and an ageing population increasingly treated at home, this presented a compelling scenario for growth. Taking the business private in 2013, our aim was to build a European leader in medical supply.

Over the past year, we have worked with management on a clear value creation plan, restructuring and resourcing the business to increase revenue and streamline operations. We have agreed to sell the non-core Polish pharmacy operations and focused on strengthening Mediq's lead in the Dutch pharmacy market. Going forward, new product development and strategic acquisitions are central to our efforts to grow Mediq's global influence and drive long-term sustainable growth.

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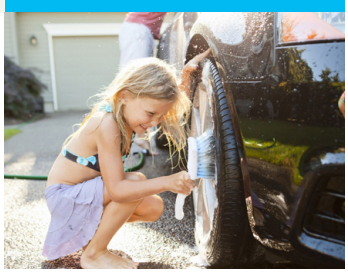
investments in the sector through our buyout programs



SECTOR FOCUS

INDUSTRIAL

Industrial is a largely capex-intensive and cyclical sector. However, individual sub-sectors and regions respond to diverse trends, offering pockets of growth largely independent of the macro-challenges. New energy sources, such as shale oil and gas, offer continued growth, while housing in the US is being driven by recovery; mining, on the other hand, is suffering headwinds from the Chinese super-cycle. Our approach is to look for growth where we have extensive networks and knowledge, building sustainable business models that incorporate the cycle, but are not dependent on the cycle for growth. We favor deal structures such as corporate carve-outs, emerging market expansion, and strategic repositioning that play to our investment strengths.

Currently, we target three main areas: In oil and gas services, strong demand and dynamic technological changes offer exciting opportunities, in particular in horizontal and directional drill rigging for extracting oil and gas. In chemicals and materials, restructuring Western markets has led to consolidation prospects, Oxea is a good example. Many Asian and Latin American markets are also ripe targets for expansion. In building products, under-invested businesses offer operational improvement opportunities supported by a general market recovery.

Global growth is the overarching theme of much of our investment activity, with emerging markets increasing in importance as they play a role in both production and demand. Our recent investment in Ocensa in Colombia supports this strategy. Conversely, with ongoing industrialization and low costs of labor, emerging market competitors are growing in size and becoming international competitors, so it is very important, not only to understand the cycle of each sub-sector, but also to understand the basis of incipient competition.

Beyond our maintenance sourcing cells, we are also looking at capital goods for carve-out and international expansion opportunities; and distribution services, where we see the potential for industry consolidation and operational improvement. Mining is a new area we are developing in 2014. The sector faces change and over-capacities, but as proactive, experienced investors, we believe interesting opportunities often result from change.

CASE STUDY
OCENSA

EXPANDING
New opportunities in new regions

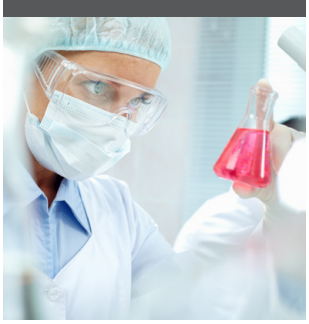
Established in 1994, Ocensa manages Colombia's largest crude oil transportation system - the main pipeline between Colombia's Llanos region and the Atlantic Coast. Pumping an average of 590,000 barrels per day, the system is a core strategic asset for Colombia, moving approximately 60% of the nation's crude oil production, representing around 70% of Colombia's total crude oil exports.

Ocensa operates the most cost-efficient and reliable pipeline that connects the main oil producing basin in Colombia with the main oil exporting port. The business is strategically well-positioned to manage further expansion of Colombia's crude oil output, which has nearly doubled in the past six years and is expected to continue to increase. With its system currently running at close to 100% utilization, Ocensa has begun a staged expansion project to increase capacity by approximately 30%.

Acquiring a minority interest in Ocensa in December 2013, our third investment in Colombia was a landmark deal for Advent, marking our first mid-stream oil and gas investment. Partnering with management, we plan to apply our significant energy sector expertise to ensure Ocensa maintains its proven track record of safety and reliability while supporting the business in its continued growth.

CASE STUDY
OXEA

REPOSITIONING
From carve-out potential to global leadership



Oxea is one of the world's leading manufacturers of oxo chemicals for use in broad end-markets such as coatings, lubricants and inks. We formed Oxea in 2007 by merging two standalone intermediate chemicals businesses we acquired from Degussa (now Evonik) and Celanese.

Oxea's competitive advantage lay in its excellence across all areas of the value chain, from superior proprietary technology to a balanced product mix. Maximizing this advantage required the well-coordinated integration of the two businesses and a rigorous strategy to accelerate growth.

Supporting management, we realized significant cost-savings through purchasing and sales synergies. Investing in production facilities increased output and removed bottlenecks. Building on new product opportunities, we helped Oxea diversify and expand its presence in both emerging and existing markets, allowing the company to achieve record revenues even when economic conditions became tough.

Now, with over 1,400 employees, five production plants across Europe and the US and sales offices in Asia and Latin America, Oxea is a world-class business with a broad customer base and impressive earnings growth. In December 2013, we sold Oxea to the Oman Oil Company, well-positioned to begin the next phase of its corporate development.

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investments in the sector through our buyout programs

SECTOR FOCUS

RETAIL, CONSUMER AND LEISURE

Recent earnings growth in the US is a positive sign and there are indications that growth in Europe may follow. Valuations are high however, and we remain selective and focused when looking at new deal opportunities.

In Retail and Consumer, markets often differ by region, driven by local consumer trends.

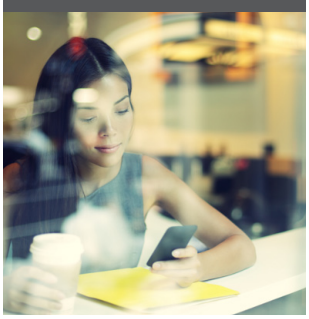
In the retail space, three global themes remain core to sourcing activity, value/discount, specialist and controlled brands, which we adapt and apply on a local basis. With value/discount, further opportunities for rollouts and consolidation exist, as unemployment and the high cost of living continue to depress household spending. In emerging countries, low-income consumers offer the best opportunity for future retail growth. Consumer demographics are also shifting as low-income consumers become the middle classes in emerging countries, and increasingly professional retail units make stores more appealing to all. In the specialist retail arena, focused businesses continue to take market share from generalists as consumers look for the best choice, price and service within a category. Amongst controlled brands, premium and luxury goods are continuing to grow, as consumers of these products are less affected by spending constraints and through digital technologies global brands are becoming more widely known quickly.

Within the consumer products space, there are increasing opportunities as larger global groups are further rationalizing their portfolios. These are providing opportunities to look at businesses where both top-line growth and internal operational improvements are needed. Themes of health and wellness in the food and drink area, as well as household goods ensure it remains an exciting sector, though at strong valuations.

When we look at investments we consider these growth themes in the context of regional to national, and national to international. We use our industry expertise and global network to help us develop relationships with companies we judge as potential stars. We also consider the new tools and operating formats that impact sub-sectors in different ways, at DOUGLAS Holding for example, the share of internet sales has more than tripled since 2008. While we focus on our core maintenance cells, we are also on the lookout for new trends and changing themes that could result in interesting deal opportunities. Restaurants/food services and travel are two we have been developing during 2013 and The Coffee Bean & Tea Leaf is one of the latest deals executed as a result of this sourcing strategy.

CASE STUDY
THE COFFEE BEAN & TEA LEAF

GROWING
Market share and global reach



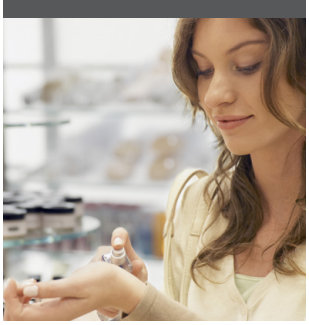
Founded in Southern California in 1963, The Coffee Bean & Tea Leaf has become one of the largest privately-owned coffee and tea retailers in the world. Known for sourcing direct from the best independent growers, its emphasis on premium, handcrafted flavor is central to the company's identity, resonating with its expanding customer base both in the US and abroad.

We invested in The Coffee Bean & Tea Leaf in 2013, attracted by the strength of the brand and its connection with its consumers. With a rising culture of coffee consumption globally, and particularly in Asia, we saw a number of attractive opportunities to grow the business and increase its market share. Here, the regional expertise of our Shanghai team played a key role in the deal.

The business currently has more than 900 stores spanning 15 US states and nearly 30 countries, as well as products in grocery stores, restaurants and offices. We see a number of attractive opportunities for further platform growth including increasing the number of company-owned stores, introducing a variety of store-level initiatives aimed at driving accelerated top-line sales growth and expanding franchise operations, especially across key Asian markets.

CASE STUDY
DOUGLAS HOLDING

BUILDING
Stable structures and attractive prospects



DOUGLAS Holding is a leading European retail conglomerate consisting of five independent divisions headquartered in Germany: Douglas perfumeries, Thalia bookstores, Christ jewellery stores, Appelrath Cüpper fashion stores and Hussel confectioneries. The group has more than 20,000 employees and operates over 1,900 stores across 18 countries.

In December 2012, Advent's regional sector teams partnered with DOUGLAS' founders the Kreke family to complete a complex public-to-private transaction to acquire DOUGLAS Holding. Bringing together our global resources with the Kreke family's historical retail expertise, we have developed the strength and vision to reposition the business for sustainable future growth.

Now, under new ownership structure, our main objective is to support management to accelerate the growth of the perfume and jewellery divisions. Key areas of focus are an increased presence in the domestic and international markets, as well as the rapid integration of innovative cross-channel sales concepts. In the book division, our strategy for a comprehensive repositioning includes a digital push. Across the business, implementing industry-leading best practices and cost-efficiencies is central to our value creation plans.

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investments in the sector through our buyout programs

SECTOR FOCUS

TECHNOLOGY, MEDIA AND TELECOMS (TMT)

Technology, Media and Telecoms (TMT) is a sector defined by constant innovation and change, with the importance of digital technology felt by enterprises and consumers around the world. The industry and businesses involved are highly complex and dynamic. Advent has been a longstanding investor in TMT attracted by the sector's pool of opportunities, attractive growth drivers and cash-generative models. Over the past four years, Advent has been active in the global TMT space, making four acquisitions, including Oberthur Technologies, KMD, P2 Energy Solutions and UNIT4.

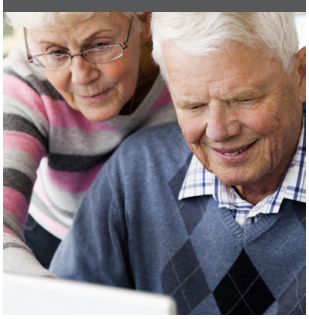
Typically, companies within the TMT sector have high growth rates and they respond to secular trends not cyclical trends, meaning we are able to find interesting deal opportunities even in markets with challenging economic climates. Their global nature and multiple layers of value creation fit well with Advent's investment model. Software businesses, in particular, show consistent performance due to high customer switching costs, recurring revenue streams and excellent cash flow generation. The operational leverage of most software companies also enables accretive follow-on M&A, and we believe the software sub-sector offers dynamic exit options.

Through ongoing strategic reviews, we target market-leading companies with clear value creation plans and strong earnings growth potential, often through international or inorganic expansion. Our main sourcing themes are based around the increasing penetration and adoption of social, mobile, analytics and cloud technologies. Our investments in UNIT4, P2 Energy Solutions and KMD all benefit from these trends.

Beyond our core themes, together with our operating partners, we continuously assess new trends and areas where we believe our unique operational and strategic insights can turn potential into sustainable earnings growth. In 2013, we focused on five sourcing areas: Enterprise resource planning (ERP) software, which addresses the increasing drive for efficiency in modern enterprises; engineering software, which addresses the growing sophistication in energy and infrastructure decision analysis; banking and finance software, which addresses the increasing complexity and compliance requirements in the financial services industry; information and analytics, which offers productivity and enhanced decision-making tools; and lastly, the internet, which is a fast-moving economy with increasingly mature investment opportunities with operational improvement potential.

CASE STUDY
KMD

INNOVATING
World-class IT solutions for complex transactions



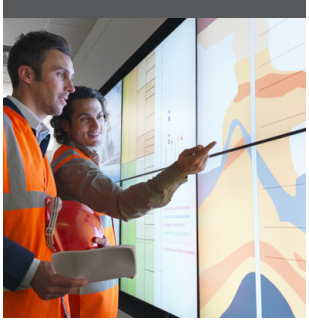
KMD is Denmark's largest IT company, providing innovative software, services and business process solutions for government, the public sector and private clients. Founded in 1972, the company has a long track record as a trusted partner to the Danish state, digitizing complex transactions from parliamentary elections and social benefits distribution to the administration of schools. Each year, KMD's systems handle billions of kroner, equivalent to more than 25% of Denmark's GDP.

Investing in the company in 2012, we were attracted by KMD's unique insight into and competence in delivering critical software solutions to local government. Building on this platform, we recognized substantial opportunities to develop adjacent areas of the Danish welfare state. We also saw the potential to leverage our global resources to help the business expand across Europe.

A first step has been to implement a program of operational efficiency, streamlining decision-making to strengthen the company's core. Product development and customer support have also been enhanced. Now, KMD's focus has turned to growing new public sector areas, innovating solutions for eLearning and internet-based delivery for elderly care.

CASE STUDY
P2 ENERGY SOLUTIONS

SUPPORTING
Product innovation, growth initiatives and strategic acquisitions



P2 Energy Solutions is the leading provider of software and data to the upstream energy industry. Over 1,500 exploration and production companies use P2's products and services daily to improve decision-making, clarify complex workflow scenarios and optimize efficiency. Based in the US, the company employs over 700 people in offices around the world.

Our acquisition of P2 in November 2013 was the result of a proactive search from our deal team and operating partners for a well-positioned vertical software and data business. Advent's experience in both the technology and energy sectors enables us to leverage our experience and resources to help P2's management execute its strategic vision of being the technology provider of choice for the integrated operations of exploration and production (E&P) companies globally.

Accelerating product development and enhancing the go-to-market strategy are two growth initiatives that Advent is spearheading to position P2 to maximize its growth potential. Additionally, we plan to continue to expand the scope of P2 by taking the current solution set to select international markets and through strategic acquisitions.

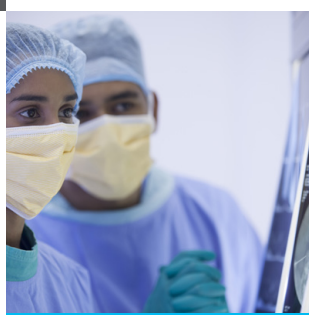
PORTFOLIO COMPANY LISTING

COMPANY	REGION
BUSINESS AND FINANCIAL SERVICES	
Alianza Fiduciaria	Latin America
Equiniti Group	Europe
GFKL Financial Services	Europe
InverCap Holdings	Latin America
Latin American Airport Holdings (LAAH)	Latin America
Nets*	Europe
Terminal de Contêineres de Paranaguá (TCP)	Latin America
Tinsa	Europe
Towergate Partnership	Europe
TransUnion	North America
Ultimo	Europe
WorldPay	Europe
HEALTHCARE	
American Heart of Poland (AHP)	Europe
Biotoscana Farma	Latin America
CARE Hospitals	Asia Pacific
Casa Reha	Europe
Connolly	North America
Laboratorio LKM	Latin America
MEDIAN Kliniken	Europe
Mediq	Europe
Priory Group	Europe
Regina Maria	Europe

COMPANY	REGION
INDUSTRIAL	
Allnex	Europe
BOS Solutions	North America
Ceramica	Europe
H.C. Starck	Europe
KAI Group	Europe
MAXAM	Europe
Mondo Minerals	Europe
Morrison Supply Company	North America
NCS Energy Holdings	North America
Ocensa	Latin America
TES Vsetin Group	Europe
Vinnolit	Europe
RETAIL, CONSUMER AND LEISURE	
Bojangles'	North America
Charlotte Russe	North America
The Coffee Bean & Tea Leaf	North America
Devin	Europe
DFS	Europe
DOUGLAS Holding	Europe
Dudalina	Latin America
Eko Holding	Europe
Five Below	North America
Gayosso	Latin America
Gérard Darel	Europe
International Meal Company (IMC)	Latin America
Partner in Pet Food (PPF)	Europe
Party City	North America
Quero-Quero	Latin America
Serta Simmons	North America
TECHNOLOGY, MEDIA AND TELECOMS (TMT)	
KMD	Europe
Oberthur Technologies	Europe
P2 Energy Solutions	North America
Skillsoft**	North America
UNIT4	Europe
WSiP	Europe

* Investment signed subject to closing
** Exit signed subject to closing

ADVENT INVESTING IN COMMUNITIES: CARE HOSPITALS



"We are committed to providing quality healthcare with compassion to more people in India."

DR. B. SOMA RAJU, FOUNDER OF CARE HOSPITALS

INVESTING IN CARE

Despite rapid progress in other areas, healthcare infrastructure has remained relatively under-developed in India. Currently, less than one hospital bed is available per 1,000 members of the population compared with the global average of 2.7, an annual shortfall of over 50,000 hospital beds. With the majority of existing hospital beds concentrated in major cities, this gap in critical services is already felt more acutely by patients living in and around smaller cities. Over the next five years, as demand continues to grow the situation is expected to deteriorate, leaving many communities without the modern medical treatments and facilities they need.

VISION AND VALUES

In 2012, Advent acquired CARE Hospitals with a vision of creating a regional market leader in acute care services. Founded in 1997, CARE has grown from a single facility focusing on cardiac care to a multi-specialty group of 12 hospitals serving Central and Southern India. Partnering CARE's clinical excellence with Advent's operational expertise, we saw the opportunity to help the business expand its footprint and capabilities to reach more patients in the region's smaller cities.

Our first step was to upgrade and expand CARE's existing facilities to provide the group's clinical team with the quality infrastructure they needed. Adding new areas of specialization like orthopedics and ophthalmology was key to offering comprehensive care to patients. Central to our strategy was the acquisition of existing hospitals and development of greenfield projects in CARE's current and adjacent markets to bring better healthcare to more people and address the shortfall in hospital beds.

RAISING STANDARDS

CARE's transformation into a professionally run organization is already well underway, with patients across Central and Southern India now able to access international standards of medical care in modern facilities equipped with the latest technology. In Hyderabad, the opening of a new outpatient facility (the largest standalone healthcare center in India) has significantly extended the range of services available to the local population. Building on this momentum, plans for three new hospitals that will add around 700 acute care beds in smaller cities are on track.

SUPPORTING COMMUNITIES

CARE has also been on hand to support its local communities in crisis. Following recent terrorist attacks, CARE's staff showed outstanding dedication in difficult circumstances. In Chattisgarh, the badly injured victims of an insurgent attack were airlifted to CARE's hospital in Raipur to receive life-saving emergency treatment. In Hyderabad, in the aftermath of a devastating bomb blast, CARE's teams worked over several days to save seriously injured patients admitted to their hospital and volunteered to attend to those at other smaller hospitals in the city.

This commitment and compassion remain at the heart of CARE's ethos as it strives to deliver world-class standards of healthcare to more people across the region.

ADVENT AT A GLANCE

FIRM FOUNDATIONS
Founded in 1984, we are one of the largest and most experienced global investors dedicated solely to private equity. To date, we have invested in more than 290 buyout transactions in 39 countries. We invest where we see opportunities to partner with management teams to increase revenue and earnings, positioning businesses for sustainable growth.

SECTOR FOCUS
We focus on five sectors we know well: Business and Financial Services; Healthcare; Industrial; Retail, Consumer and Leisure; and Technology, Media and Telecoms (TMT). This specialization allows us to develop unique insights into sector trends, enabling us to build effective strategies to better support our portfolio companies in achieving their growth objectives.

SHARED VISION
We are a responsible, long-term partner to our portfolio companies. We aim to make a constructive contribution, working collaboratively with management teams to achieve a shared vision for the future of their businesses. Typically, we invest for three to seven years, or until the company is ready to move to its next stage of development.

OUR TEAM
We are a team of more than 350 people worldwide, including over 170 investment professionals. At partner level, the average tenure at Advent is 14 years, providing experience, stability and continuity of knowledge, and, as importantly, preserving the uniquely collaborative culture of our firm.

Our offices are staffed by local nationals, whose market insights and regional connections are invaluable resources to both our broader organization and our portfolio companies.

The size of our team and our global coordination allow us to deploy significant resources to identify investment opportunities and support our portfolio companies at regional and international levels. Globally, we share our knowledge and experience across our sector teams to maximize our capabilities.

OUR OPERATING PARTNERS
The use of operating partners is a fundamental element of our investment style. Currently, we have approximately 60 operating partners who provide flexible support to our portfolio company management teams throughout the investment cycle.

Acting as independent advisors, our operating partners help to source and evaluate investment opportunities, extend industry networks and contribute to the strategic and operational development of our portfolio companies.

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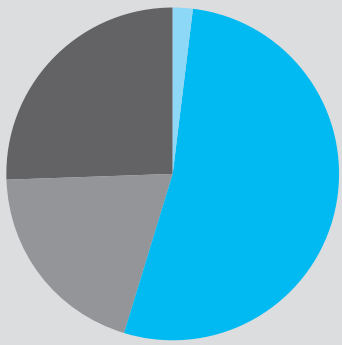
COUNTRIES WITH ADVENT PORTFOLIO COMPANIES

170+

INVESTMENT PROFESSIONALS GLOBALLY

CURRENT PORTFOLIO **BY GEOGRAPHY**



Asia Pacific	**2%**
Europe	**54%**
Latin America	**20%**
North America	**24%**

By number of deals

CURRENT PORTFOLIO **BY SECTOR**

Business & Financial Services	**20%**
Healthcare	**18%**
Industrial	**22%**
Retail, Consumer and Leisure	**29%**
Technology, Media and Telecoms	**11%**

By number of deals

ENVIRONMENT, SOCIAL AND GOVERNANCE

Good stewardship shapes our approach, and we encourage our portfolio companies to apply the same principles to their businesses.

MINIMIZING ENVIRONMENTAL IMPACT
We aim to minimize the environmental impact of our business across our global network. Our approach to a healthy environment is to reduce our energy usage where practical and recycle where local facilities allow. This helps us to reduce our day-to-day environmental impact and costs, and also provides for small productivity gains.

OUR INVOLVEMENT IN SOCIETY
We believe that personal choice and engagement bring the most benefits to both employees and the causes they choose to support. We encourage Advent team members' involvement in areas of social responsibility such as fundraising, voluntary work, mentoring, external appointments and memberships.

In September 2013, over 100 members of the Advent team from across our global offices took part as runners, drivers and volunteers in Reach the Beach, a long-distance relay race staged in New Hampshire. Coming together to raise funds for Partners in Health (PIH) (www.pih.org), our relay teams successfully covered 205 miles non-stop over 30 hours, supported by their colleagues. The funds raised will help PIH to expand rural health clinics in the high-poverty Chiapas region of Mexico and to construct a new maternity hospital in the Neno district of Malawi. In addition, our Boston office participates in YearUp, a community initiative helping young urban adults to reach their potential through mentoring and internships.

OUR GOVERNANCE
Advent International Corporation (AIC) is a fund manager. The majority of Advent offices act as advisors to AIC, providing advice on the investment and divestment of portfolio companies.

REGULATION
AIC is regulated by the US Securities and Exchange Commission. Where applicable, our advisory businesses are registered with their local regulator, such as the Financial Conduct Authority (FCA) in the UK.

RISK MANAGEMENT AND COMPLIANCE
AIC is advised by dedicated investment advisory committees of local senior partners and at least one partner from another region. This model ensures the consistent application of global Advent standards and helps to enhance cooperation and knowledge-sharing between regions.

Each fund has a dedicated advisory committee of limited partner representatives who meet with us periodically to review the portfolio, discuss issues and opportunities and monitor certain actions.

A global compliance team led by our Chief Compliance Officer maintains policies and controls in this area and oversees our internal governance programs worldwide.

HELPING
Advent team members raised funds to support Partners in Health's plan to construct a new maternity clinic in Malawi.

TALKING TO STAKEHOLDERS
We attend portfolio company board meetings and are in regular contact with management. We also maintain a continuous dialogue with our limited partners who invest in our funds and our portfolio companies, M&A intermediaries and the wider private equity community.

We provide our limited partners with regular communications on investment and exit activity and the progress of our portfolio companies. We send them quarterly fund financial reports, and hold an annual investor conference. Our investors can access information about our funds and their investments at any time through a secure extranet.

TRANSPARENCY AND DISCLOSURE
We follow the guidelines on transparency and disclosure for private equity firms produced by the Walker Working Group in the UK and the BVK Large Buyout Group in Germany.

For additional disclosures on investment activities in the UK and Germany that fall within these guidelines, please visit www.adventinternational.co.uk and www.adventinternational.de respectively.

We also provide regular information to trade associations to assist them in analyzing the economic role and contribution of the private equity industry.

IMPROVING PORTFOLIO COMPANY GOVERNANCE
Good corporate governance is at the heart of our value creation plans. We sit on the boards of our portfolio companies as well as on audit, compensation and other committees and work in close partnership with our management teams. We are continually thinking about how we can drive long-term improvements.

We encourage our portfolio companies to adopt appropriate corporate governance procedures in line with established best practices and local legal and regulatory requirements.

THE PARTNERSHIP

At Advent, we place great value on the strength of our partnership, working together as one team to achieve the goals of our firm. As partners, we meet regularly and share our knowledge freely, recognizing that a collaborative approach allows us to be resourceful in our thinking and agile in adapting to change.

With our management teams, operating partners and other stakeholders, we create a shared vision for the future of our portfolio companies and work collectively to realize the potential we see.

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For further information on our partners and investment team please visit www.adventinternational.com

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