

BAIN & COMPANY

Introducing Bain and the way we work

Presentation to FCEE-UCP

Lisbon, May 15, 2007

Why do companies hire Consultants?



Don't
consultants
just borrow
your watch
to tell you
the time?

Why do companies hire Consultants?

“They know
more about
the
business
than I do”



Why do companies hire Consultants?



“We don’t have
the time or
resources to
focus on
solving long-
term
problems”

Why do companies hire Consultants?

“They provide an external, objective perspective”



Why do companies hire Consultants?

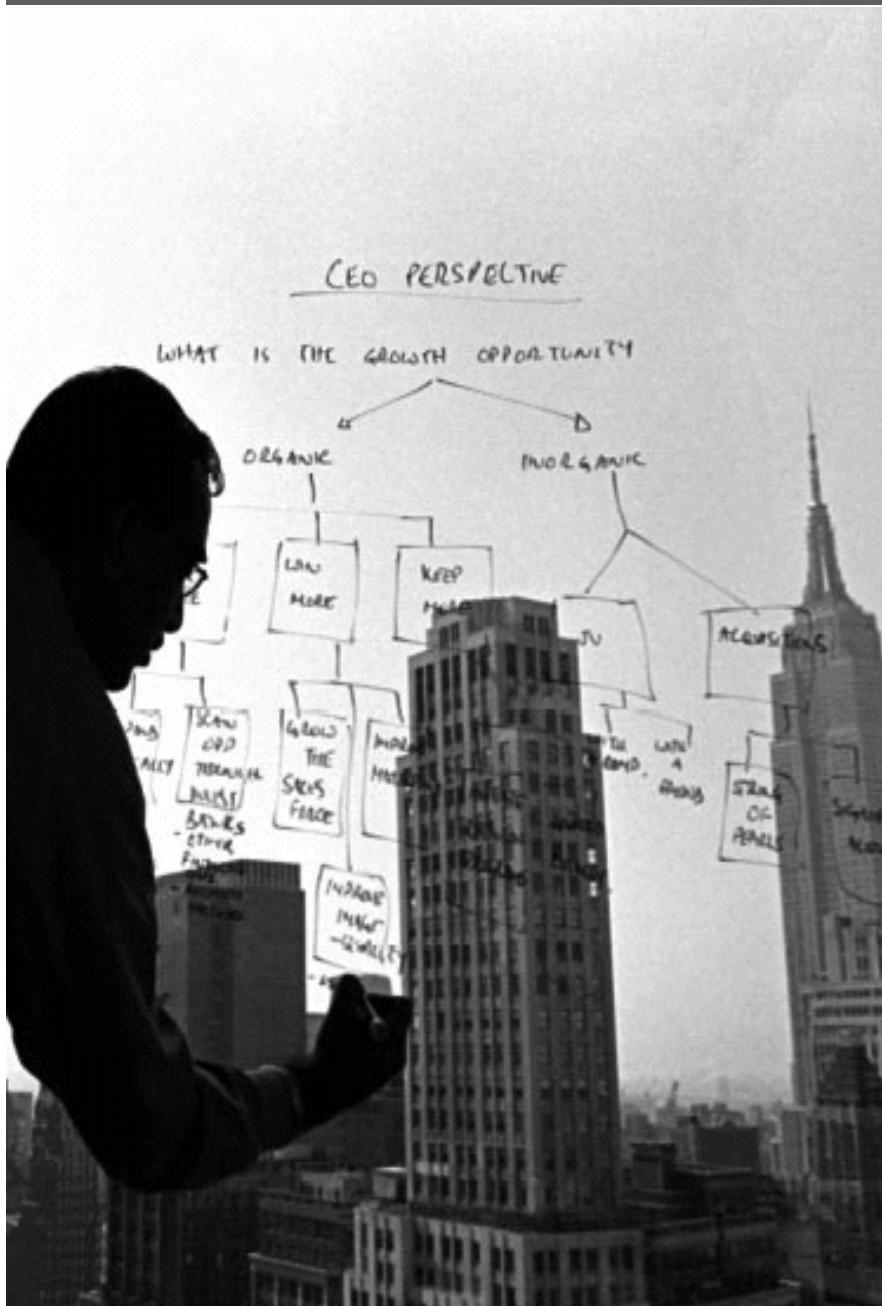


“They have specialist skills that we don’t have in-house”

Agenda

- About Bain
- Case Work
- The Bain way

Bain's business is helping make companies more valuable

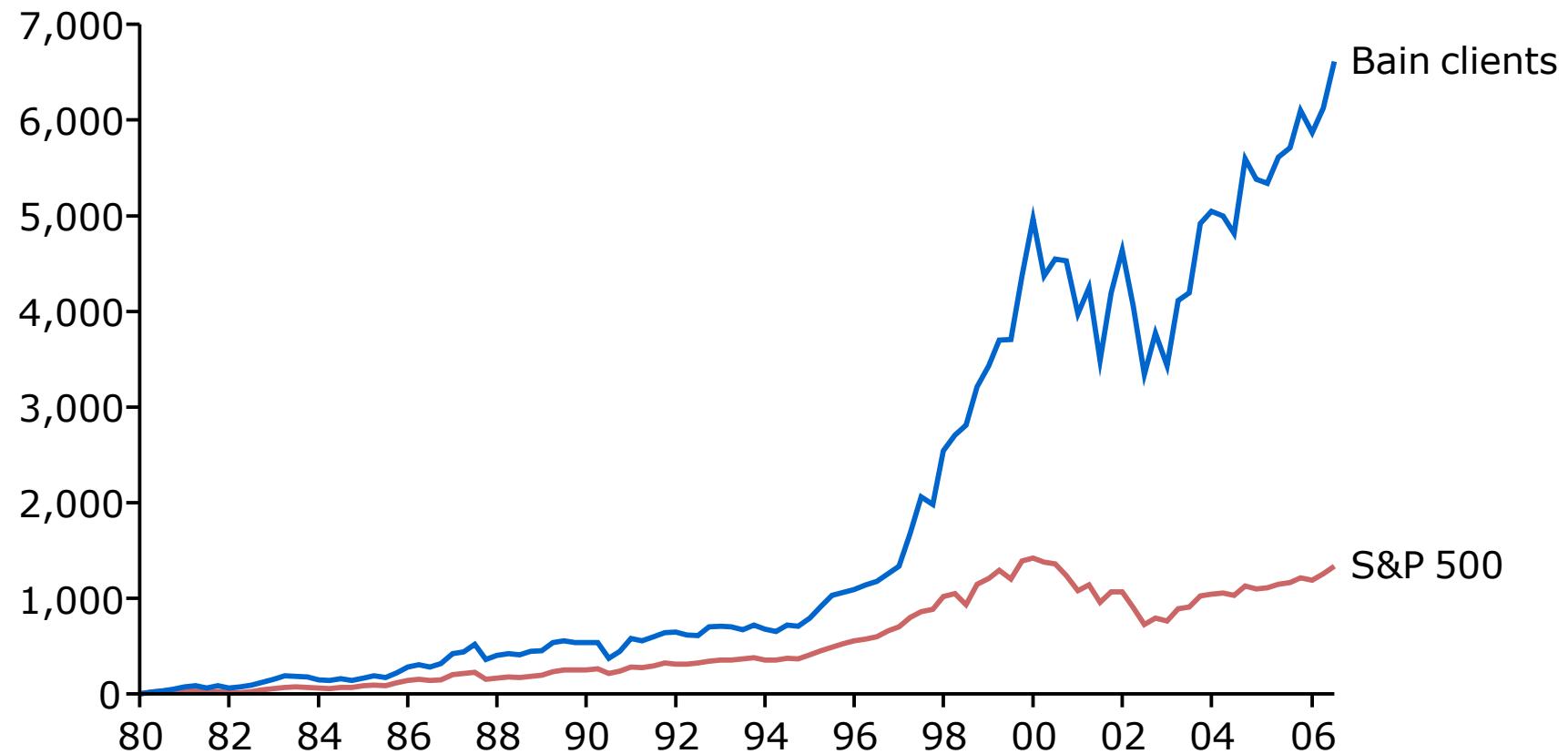


- **We deliver results, not reports**
 - We focus on full potential improvements, not incremental change
 - We emphasize practical recommendations and how to make them happen
 - We celebrate impact, not intellectual elegance or activity
 - We operate with a sense of urgency
- **We measure our success by your results**
 - We align ourselves totally with our clients
 - We are open to aligned incentives and risk-sharing
- **We tell it like it is**
 - We listen hard, but are suspicious of received wisdom
 - Our True North values system emphasizes doing the right thing, not necessarily the easy thing
 - We aspire to clear, jargon-free communication
- **We have people you can work with**
 - Our work style is direct, practical and down-to-earth
 - We treat our clients as we would like to be treated

We measure our success by our clients' results

Bain clients outperform the market 4 to 1

Cumulative percentage change in share price



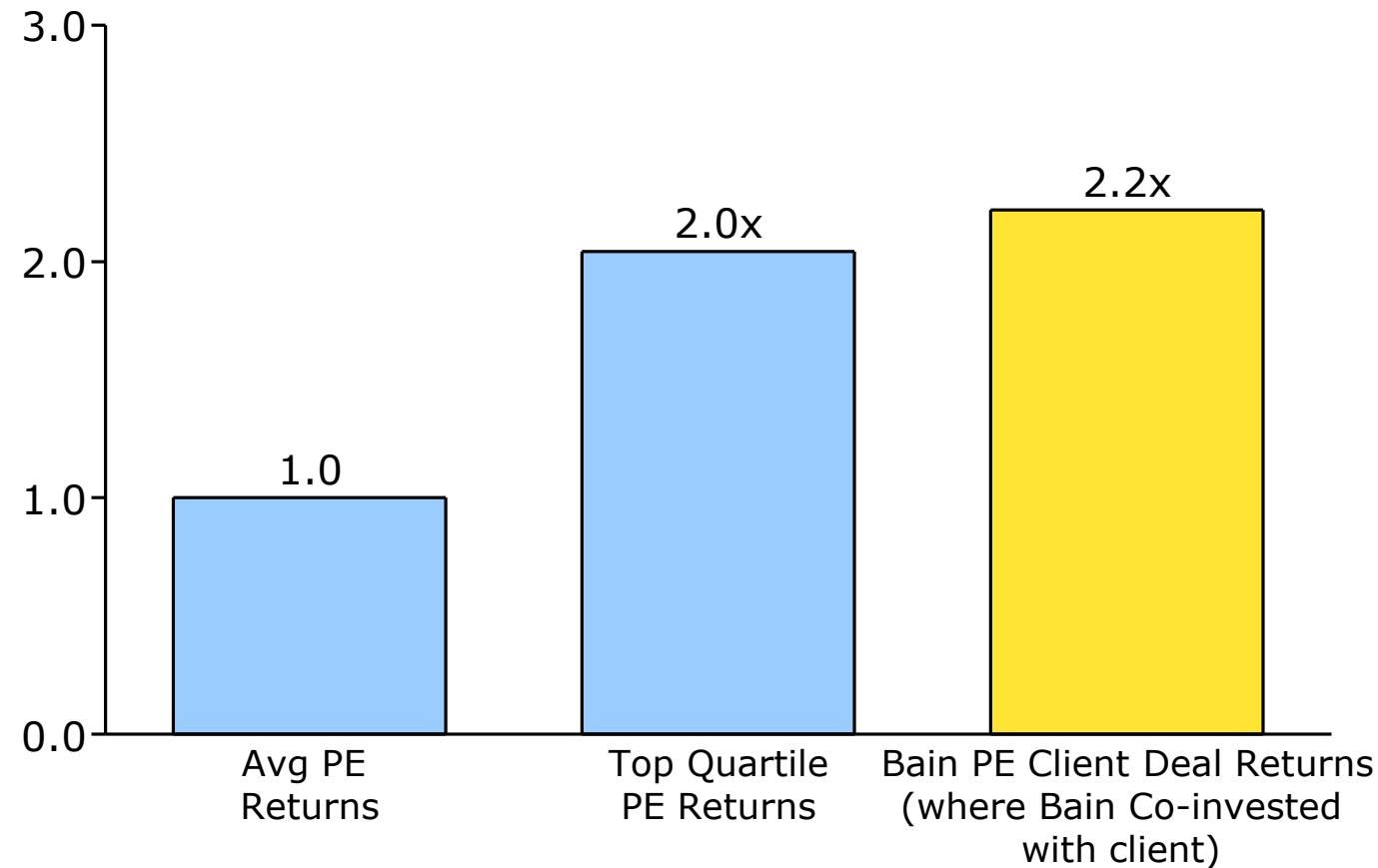
Note: Calculation and data attested to by PricewaterhouseCoopers through December 2006.

LIS Bain UCP presentation extracts 9

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Bain helps PE funds realize superior returns - and is willing to align our interests with clients to do so

Indexed net returns for 1996-2000 vintage funds
(As of 12/31/05)



Peer comparison quartile information per Thomson Financial Venture Economics/NVCA, as of Dec. 2005

LIS Bain UCP presentation extracts 10

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We give practical advice



"I like the fact that Bain provides action oriented work where you can take it and implement it. And Bain people are not shy of implementing it themselves either."

Nick Scheele
Former Chief Operating Officer
Ford Motor Company

We deliver results, not reports



"We knew by now that there were areas where we were making money, and areas where we weren't. But we hadn't yet evolved enough to know exactly where, company-wide, nor did we know the magnitude of the disparity. So we called Bain & Company, with whom we'd successfully worked before, to help us out again."

Michael Dell
Founder & Chairman
Dell Inc.

We are willing to put our money where our mouth is



"The bottom line is equity investing in our business, so we don't give it away lightly... Bain adds enough value that it is appropriate. It makes our interests perfectly aligned."

Bill Price
Managing Partner
Texas Pacific Group

We tell it like it is



"Bain & Company have played a bigger role in the reforms at De Beers than is usual. I claim credit for appointing them. I said we must have Bain, because they'll give us the more uncomfortable ride. They have given us an uncomfortable ride, but one that's been fun as well. There's been a phenomenal momentum that has gathered pace."

Gary Ralfe
Former Executive Director, De Beers

What the press says about us... (1/4)

FINANCIAL TIMES

www.ft.com

October 2004

BRIEFING

Brussels to give only €200m aid for Iraq

The European Commission is expected to commit only €200m (£180m) at next month's donor pledging conference on Iraq, a sum that falls well short of US expectations and is far less than the European Union's contribution to the reconstruction of Afghanistan. Page 13

Post strike may widen

Postal workers announced they would stage a one-day strike in London on Wednesday. They also threatened to carry out action with other unions. Page 2

BBC backed independence

Gwynne Davies, chairman of the BBC board of governors, argues at the Hutton Inquiry the corporation's clash with the government had been caused by a need to defend the BBC's independence rather than the

"Bain would not just present its clients with a report and walk out the door"

By Christopher Wilson, James Miller and Nicholas Timmins

The government is preparing to

were recently awarded to local authority workers. The measure could have significant ramifications for business. This year the

Service, education, defence and other departments.

But it is not clear that the government's proposal would head

mentality" which "insists that they would be furious if they were not consulted on the implementation of the plans to extend public sector workers' rights.

Writing in the Financial Times,

illing the client pays."

A senior Winterbourne minister said last night the proposal to roll out February's "Best Workers" agree-

Education is their business

What the press says about us... (2/4)

THE WALL STREET JOURNAL.
“Bain & Company
impresses boardrooms
with in-depth industry
research, strategic
advice and ingenious
plans”

Education is their business

What the press says about us... (3/4)

The image shows the CNN.com homepage from the early 2000s. At the top, there's a banner with the text "FINANCIAL T MANAGEMENT INTERVIEW TOP" and "Bain clients win". Below the banner, the CNN.com logo is prominently displayed. To the right of the logo are links for "International Edition" and "Netscape". A "SEARCH" bar with options for "The Web" and "CNN.com" is located above a search input field and a "Search" button. To the right of the search bar is a link to "MAKE CNN.com YOUR HOME PAGE" and a "Powered by YAHOO! search" badge. On the left side of the page is a vertical sidebar with links to various news categories: Home Page, World (which is highlighted in red), U.S., Weather, Business at CNNMoney, Sports at SI.com, Politics, Law, Technology, Science & Space, Health, Entertainment, Travel, Education, and Special Reports. Below this sidebar is a graphic for "AMERICAN VOTES 2004" with the text "ON THE ROAD" and "VIEW SCHEDULE". At the bottom of the sidebar are links for SERVICES: Video, E-mail Newsletters, Your E-mail Alerts, CNNtoGO, and Contact Us. The main content area features a large, bold, black headline: "‘Bain & Company is the elite of the already elite field of management consultants’".

What the press says about Bain (4/4)

"One of the most successful firms in the business, with consistent double digit growth in both profits and revenue."

"(Bain) has established (itself) as the leading adviser to the private-equity industry, and has ridden on the back of that booming business. Its traditional way of working is well suited to private equity firms."

The Economist

"Bain consultants seem possessed by a mission to increase the "total economic value" of their clients. Like religious zealots, they single-mindedly dedicate themselves to improving their customer's competitive position."

Fortune

"In addition to its exceptional growth record, (Bain) distinguished itself from competitors like BCG and McKinsey with its notion of results-oriented, "relationship consulting."

Harvard Business School

"Bain's most distinguished feature is its approach to strategic planning. It believes success depends on combining elaborate planning, quick-on-the-draw opportunism and ruthless competitiveness."

Business Week

"Within the industry, Bain has a force and presence."

New York Times Magazine

Bain's 3,700 employees work in 35 offices in every region of the world

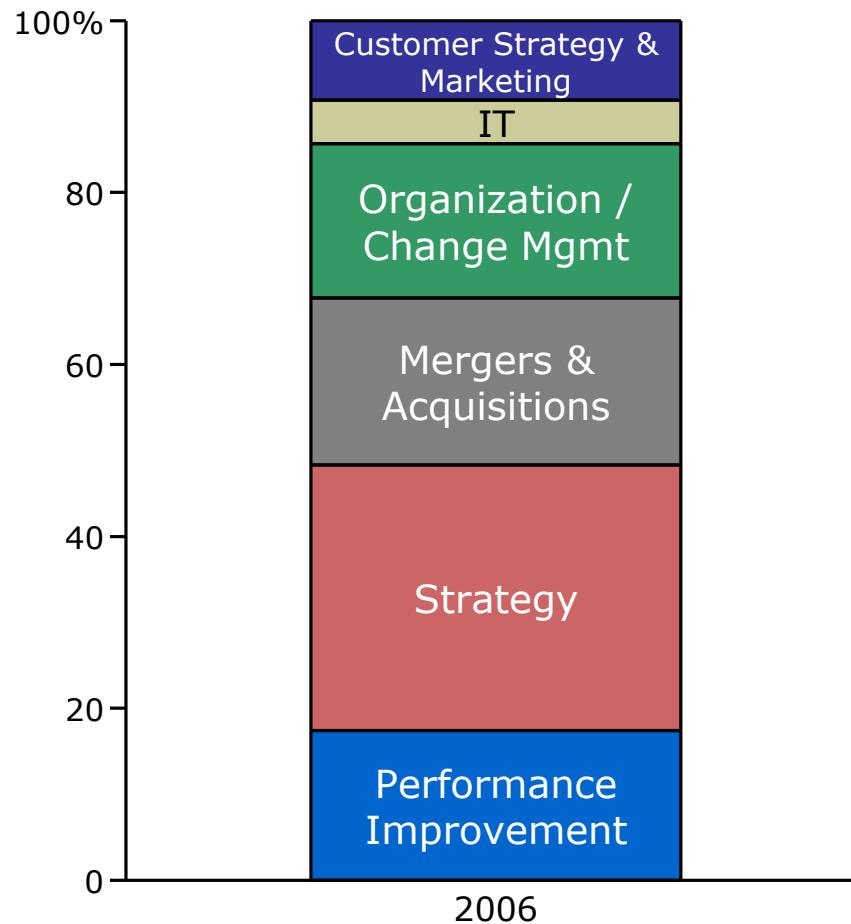


- Since 1973 Bain consultants have worked with more than 3,600 major firms from every sector in every region of the world
- The knowledge and experience of each of us is shared by all of us

Bain works with clients across the full range of capabilities and industries

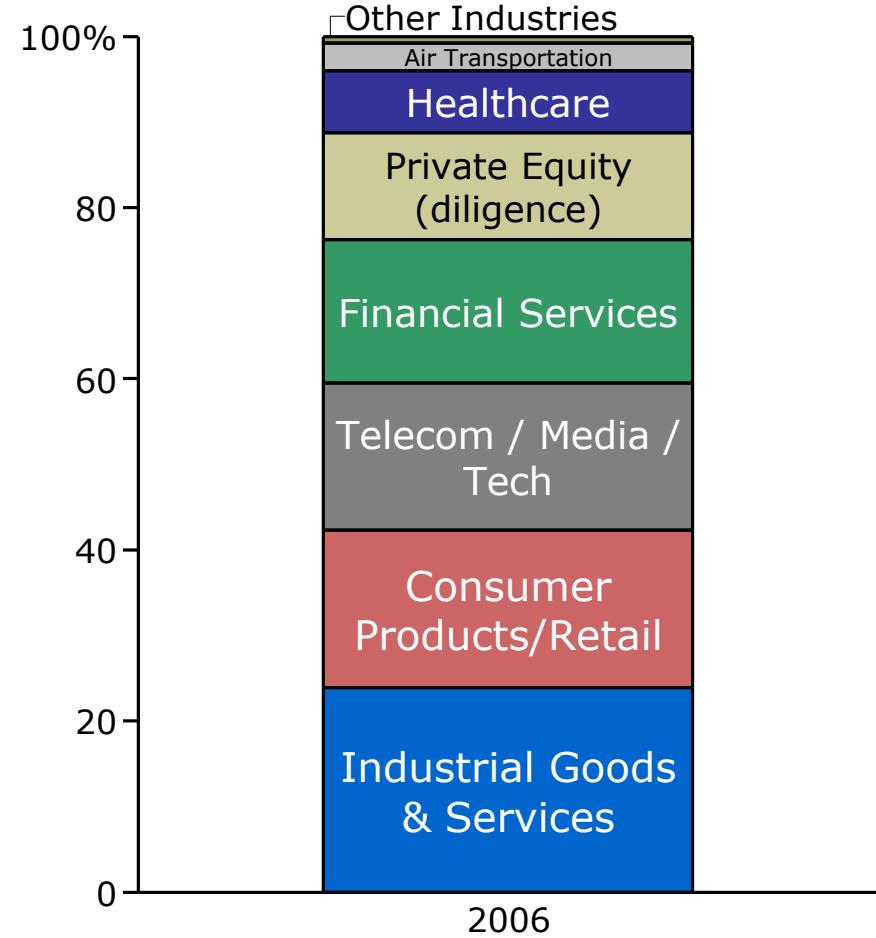
Capabilities

Percent of Bain's business



Industries

Percent of Bain's business



Note: IT and Org segments include revenue where IT and Org were secondary capabilities as well as those where they were primary

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In Portugal, Bain has been developing projects in multiple industries (I/II)

Examples of projects conducted in Portugal

Energy	Financial & Other Services	Private Equity	Consumer Goods
<ul style="list-style-type: none">• IPO support for grid company• Synergy assessment for merger in electricity and gas• Marketing strategy to capture additional customers in the gas sector• Country strategy for the utilities services' market	<ul style="list-style-type: none">• Decision-making support, opportunity assessment and potential operational deployment strategy for largest bank in adjacency growth via new asset class entry• Strategy for the national federation of a specific sport	<ul style="list-style-type: none">• Commercial due diligence for a transaction in the beverages market• Commercial due diligence in health clubs• Market entry strategy for the chemicals market• Market analysis and competitive positioning in furniture	<ul style="list-style-type: none">• Business unit growth strategy for the subsidiary of leading European multinational in the food sector• Analysis of specialty distribution channel• Strategy for the milk market• Analysis of the Portuguese coffee sector

In Portugal, Bain has been developing projects in multiple industries (II/II)

Examples of projects conducted in Portugal

Distribution and Retail

- Full potential for leading retail chain
- Customer management strategy for leading hyper and supermarket company in Portugal
- Customer segmentation based upon purchasing patterns
- Definition of value proposition in pricing, promotion and category management

Healthcare

- Corporate strategy for a start-up in biomedical research
- Strategic plan and viability analysis for a three-pronged entity comprising teaching hospital and biomedical research
- Partnership modelling assessment for major R&D player

Technology & Telecom

- Portuguese telecoms market analysis, covering fixed, wireless and cable
- Fixed mobile substitution and convergence analysis
- Impact of MVNOs: 5 year scenario
- Analysis of convergence in Telco and IT systems in the Enterprise market

Transportation

- Portuguese airline distribution market assessment
- Organizational design for a local subsidiary of worldwide leader in Global Distribution Systems

Capability practice areas

Strategy

Customer Strategy & Marketing



Organization



Mergers &
Acquisitions



Performance
Improvement



Information
Technology

Change Management

Bain is recognised as a great place to work

100 Best workplaces in the EU

BAIN COMPANY (UK, Spain, France)
AN EU TOP 10 COMPANY

Sector: Professional Services, Consulting and Management

Employees: 310 (UK), 50-100 (Spain), 137 (France)
The Spanish office finances a women's association to improve conditions for women. The UK branch encourages external work experience (six-month externships in industry, government or not-for-profit organisations). Sabbaticals of a year or more frequently offered. Major commitment to the community, eg. more than 3,000 hours invested in 2004.

1

Die besten Arbeitgeber

Deutschland-Wettbewerb. Wie attraktiv sind Unternehmen für ihre Angestellten? Fordert das Management die Mitarbeiter? Steht die Unternehmenskultur für Offenheit und Teamgeist? Capital kürt 50 Top-Adressen.

Sieger sind Microsoft Deutschland und die IT-Beratung Skystec.

News per Rundruf

Platz 2 Mittelstand: Bain. Die Büros des Managements haben gläserne Türen. Der direkte Kontakt zu den Mitarbeitern ist gewünscht, er vereinfacht die Kommunikation. Das bringt der Unternehmensberatung viele Punkte im Bereich Glaubwürdigkeit.



Top 5 Australia and NZ

Lord Mayor's community award
London

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FT FINANCIAL TIMES
World business newspaper

BEST WORKPLACES ★ UK 2005

BEST WORKPLACES ESPAÑA 2005

**DEUTSCHLANDS
BESTE
ARBEITGEBER
2006**

Capital

Bain & Company

(Oct. 26, 2006) - NEW YORK - Having surveyed more than 5000 consultants, *Consulting Magazine* found several firms that were earning high praise from their toughest critics: their own employees. Today, *Consulting Magazine* announced The Best Firms to Work For, 2006:

Bain & Company

McKinsey & Company

Point B

Boston Consulting Group

Monitor

Kurt Salmon Associates

Pittiglio Rabin Todd & McGrath

Mercer (Mercer Oliver Wyman, Mercer Management Consulting)

Diamond Management and Technology Consultants

Huron Consulting

Firms were scored by their employees' responses to questions in six equally-weighted categories: Leadership, Compensation & Benefits, Culture, On the Job, Work/Life, and Career Development.

The November/December issue of *Consulting Magazine* contains the full rankings as well as breakouts by individual attribute.



The skills we learn at Bain are unique and portable... positioning for success anywhere



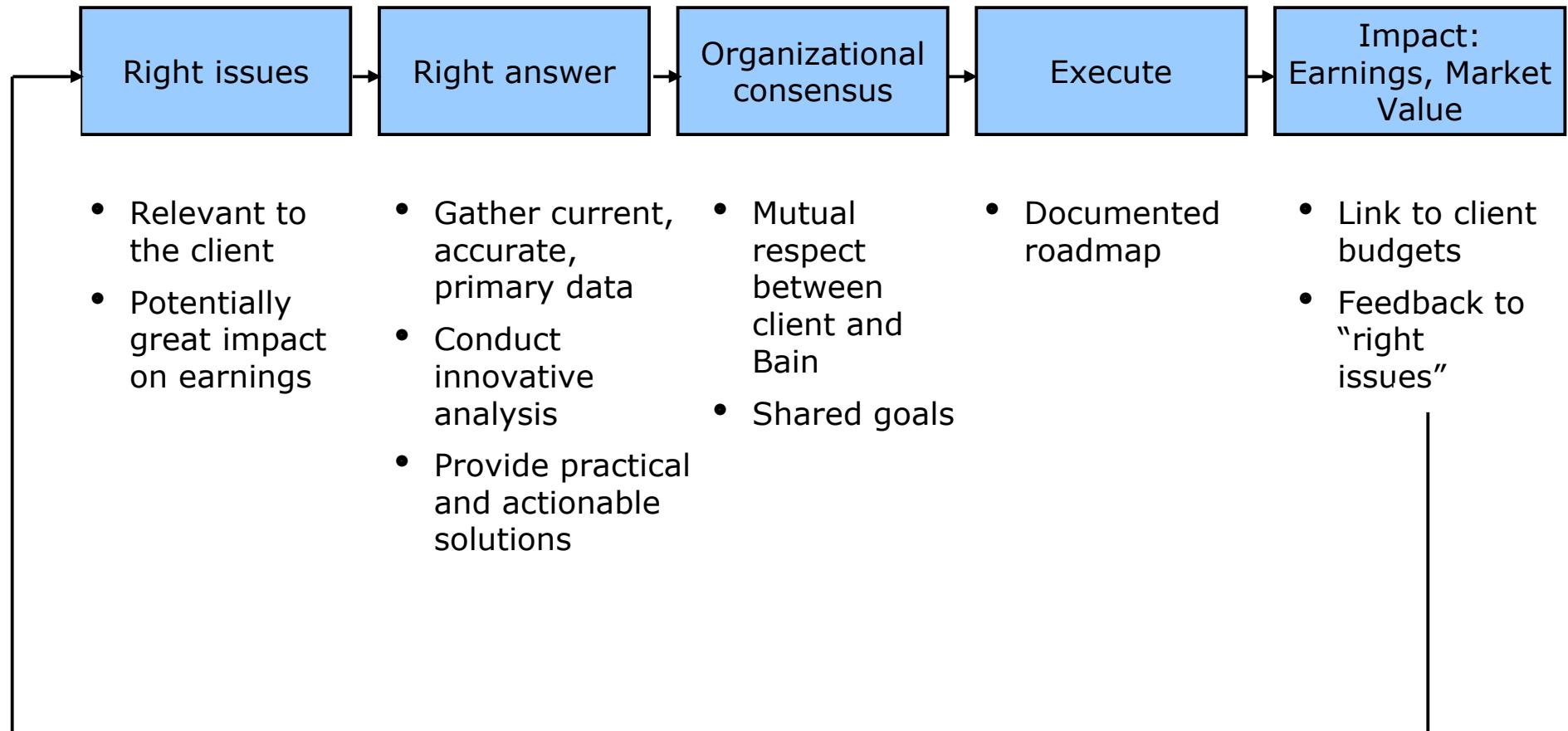
"There were never a better group of people than those nine years at Bain. They were the highest quality people, the smartest people and the most fun people."

Meg Whitman
President & CEO, eBay
"Most Powerful Woman in Business", Fortune 2004

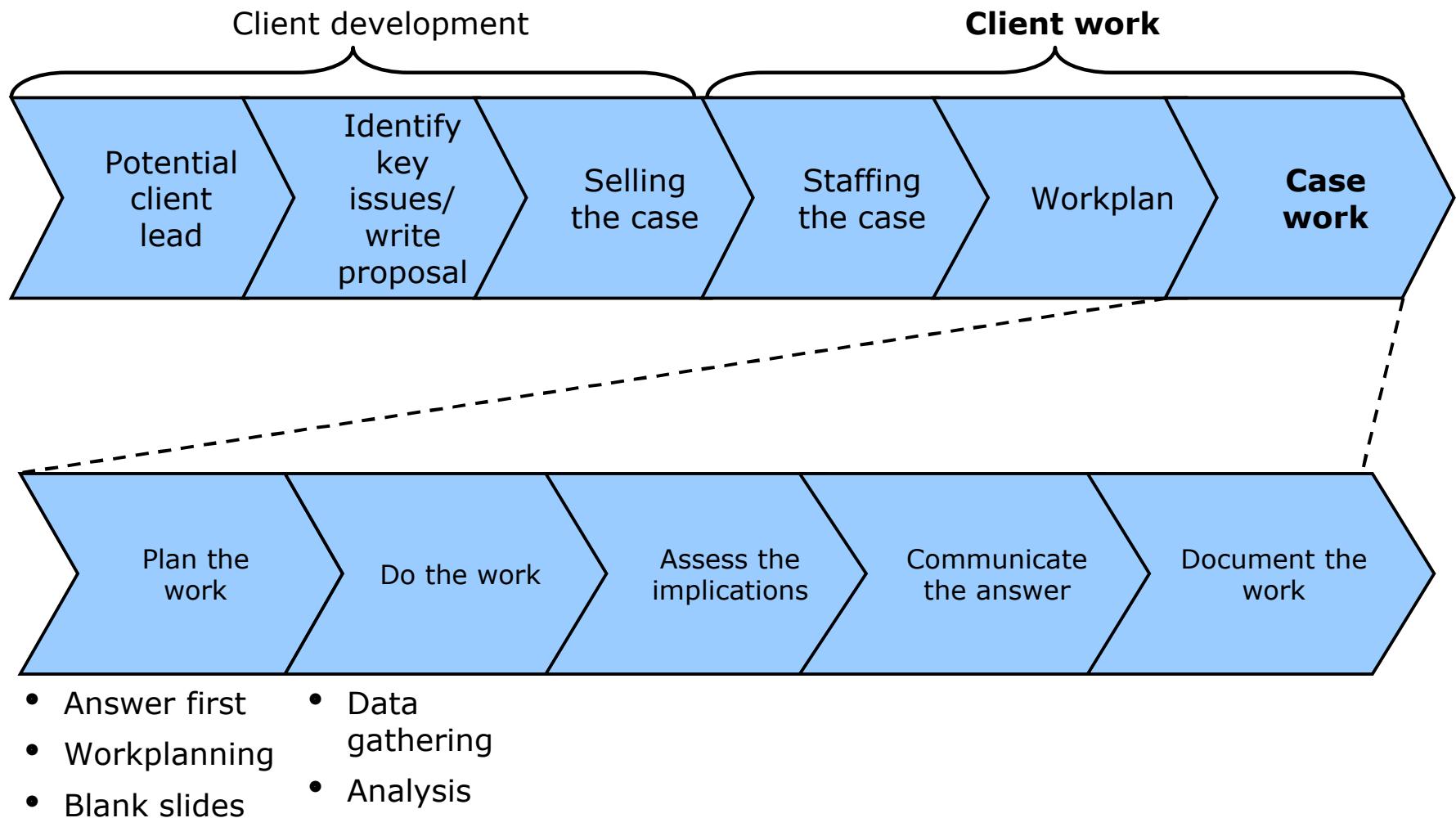
Agenda

- About Bain
- Case Work
- The Bain way

Bain's focus on value-added consulting produces extraordinary results



Case work overview



Answer first is supported by a logic tree structure

Introduction:

- Situation
- Complication
- Question

Answer first

Key point:

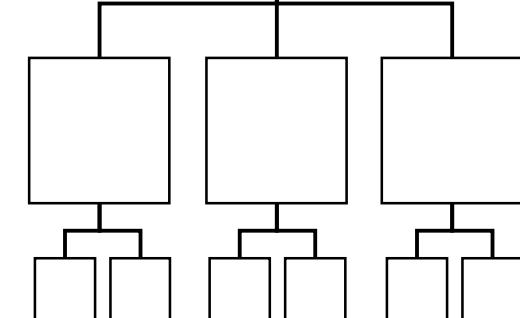
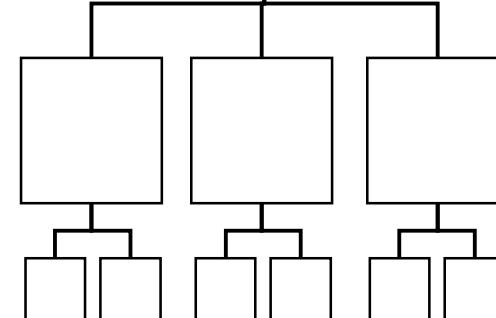
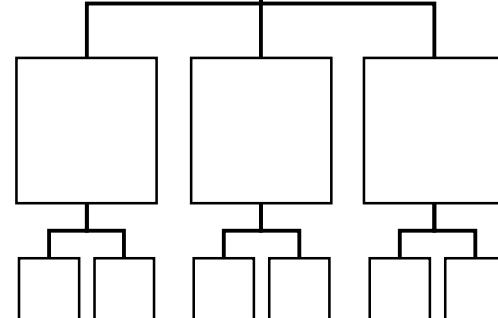
Key line assertions:

Assertion 1

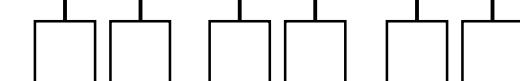
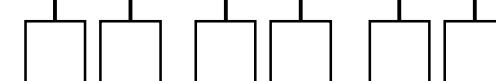
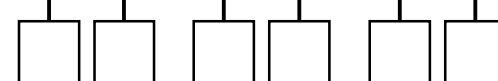
Assertion 2

Assertion 3

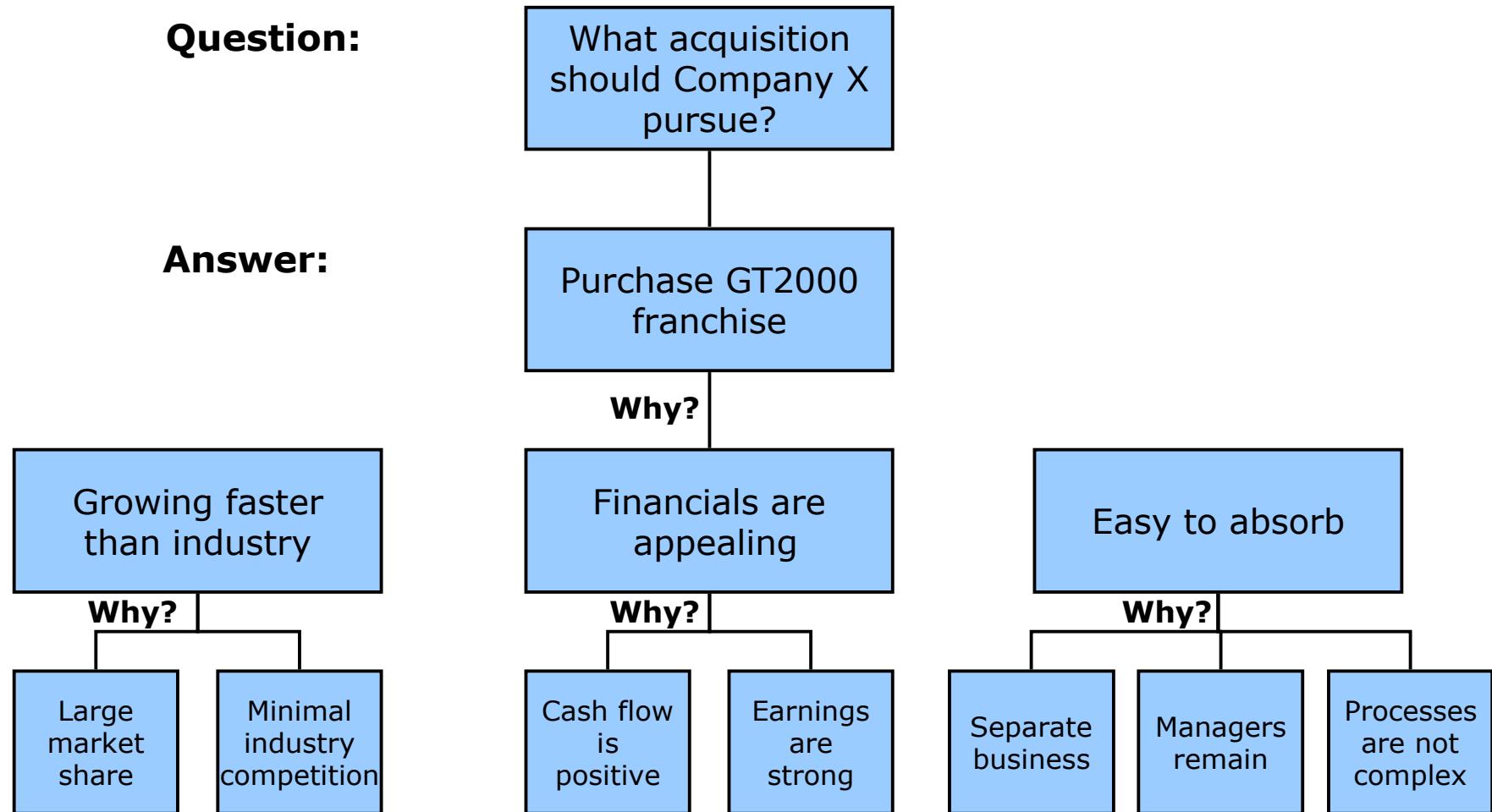
Sub-assertions:



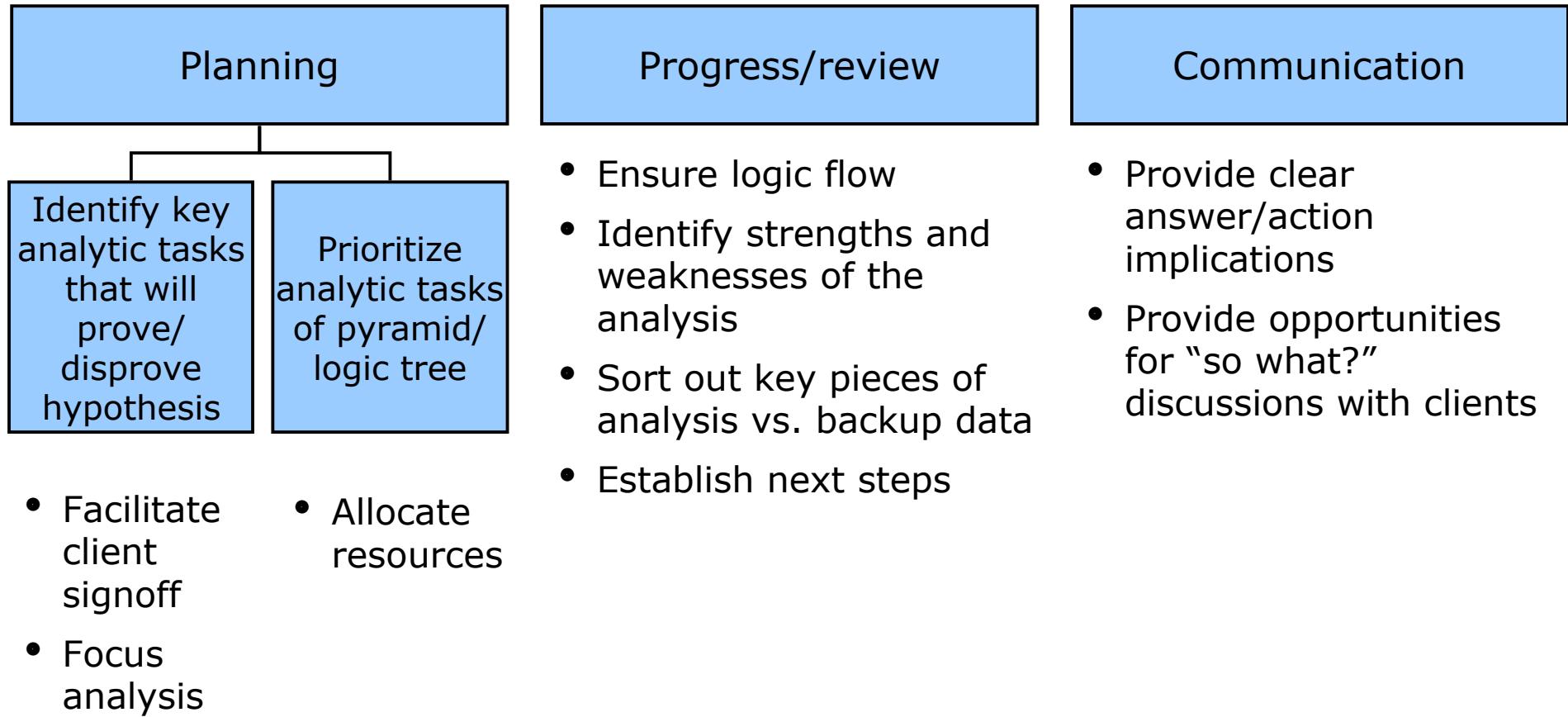
Evidence:



Example: answer first



Workplanning improves productivity in three areas



Example: workplan

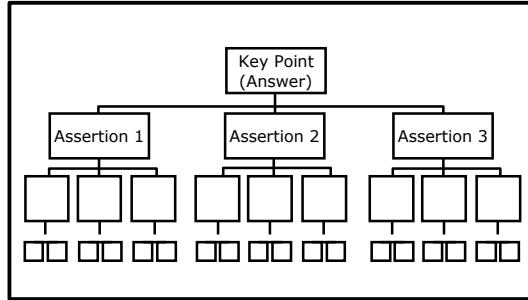
Detailed Activities	Final Deadline	Weeks										Team Member Responsible
		1	2	3	4	5	6	7	8	9	10	
A Market overview: •Market characteristics •Competitor positioning	Week 4			→								Chris
B Competitor Analysis •Market shares •Pricing •Profitability	Week 6				→							Paul
C Customer analysis	Week 9					→						Jennifer
D Synthesis	Week 11									→		All

Blank slides serve as a skeleton for a presentation

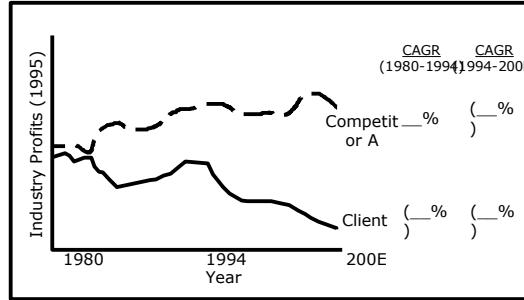
- Blanks serve several purposes
 - Develop initial hypothesis by generating a story supported by preliminary slides with incomplete data
 - Focus team's analysis and data gathering on most important slides to prove or disprove the hypothesis
 - Prioritize work and further develop workplan around most critical slides to support the storyline/presentation
- Managers vary in their use of blank slides
 - Some script out an entire presentation at the beginning of the case
 - Others rely on the team to develop blanks for individual workstreams and subsequently integrate them into one master presentation

The blank slides should tell the story by clearly walking through the assertions

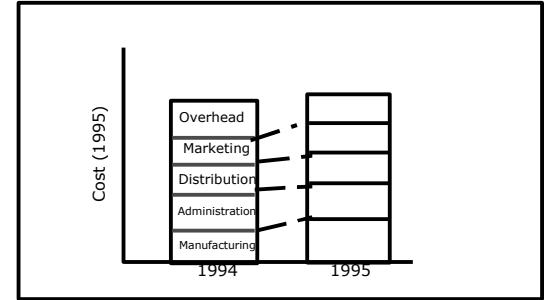
- Answer first tree



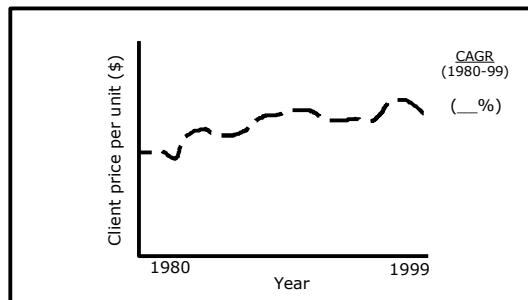
- Profits are declining



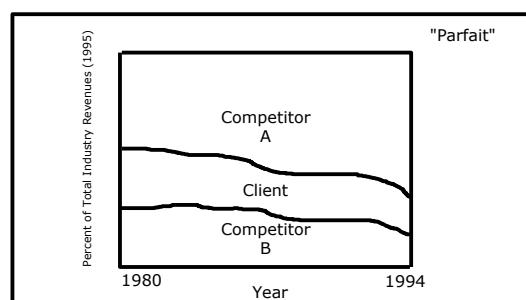
- This is not due to costs, which have remained stable



- .. or prices, which have increased



- The source of profit decline is a reduction in market share. This is due to competitor A's new product introduction



etc.

Our data-driven approach tests the hypotheses and drives to a solution

- A significant piece of Bain's value addition to clients is through surfacing new information and analyzing it to drive to an answer
 - Clients often have large amounts of data that is not analyzed in a focused way. Without focus, senior management cannot make decisions
 - Bain often discovers new sources of relevant data of which the client was previously unaware or had left untapped

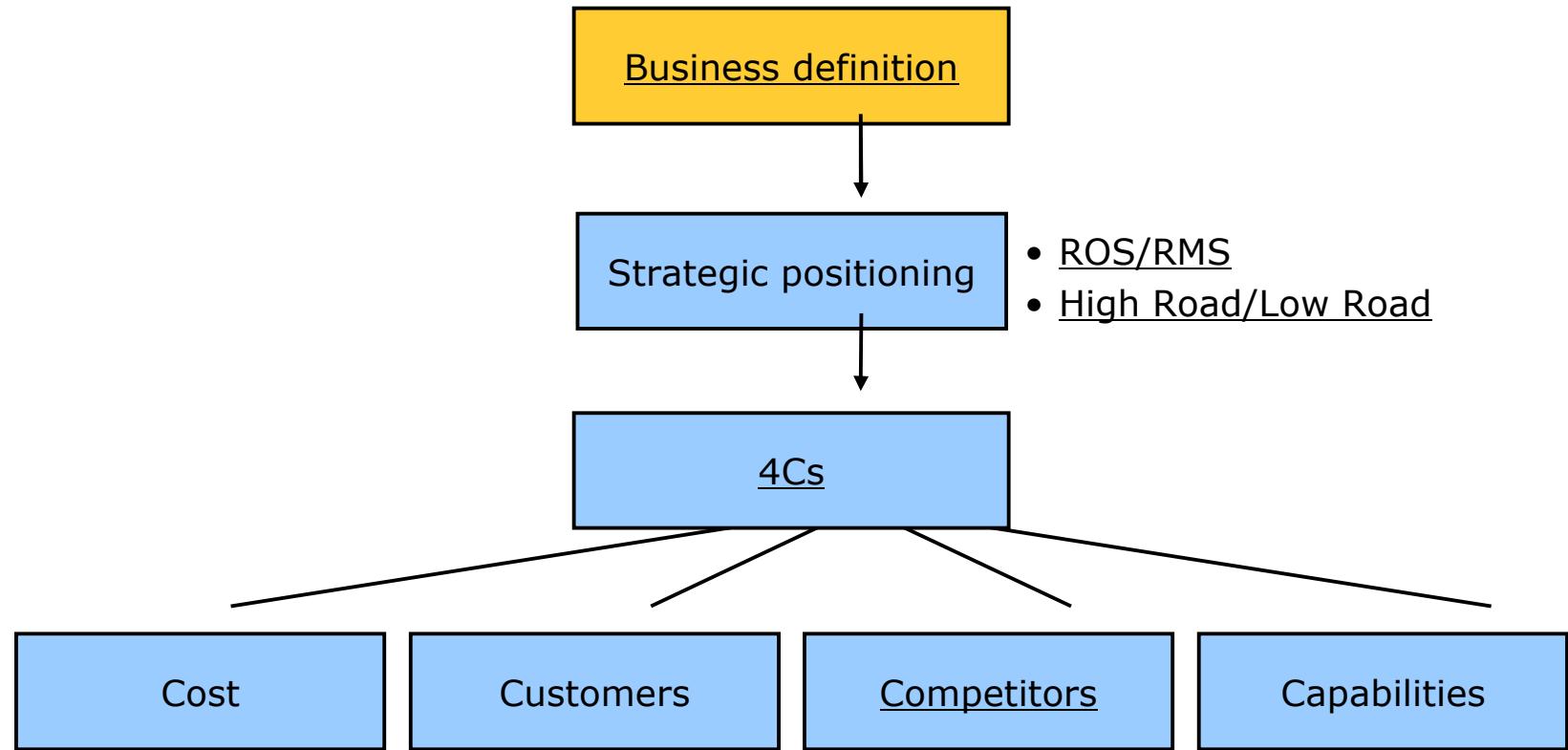
Bain communicates the answer to the client through presentations

- Moving from an initial hypothesis to an answer and recommendations is the purpose of the team's case work
- Answers take several forms, depending on the stage of the case and the audience
 - **Early internal presentations:** as simple as three or four hand drawn slides with a list of next steps
 - **Interim presentations:** relay how the work is being done and help to refine the hypothesis. Often positioned as working sessions where a preliminary answer and the supporting analysis begin to take shape as a storyline
 - **Final presentations:** communicate implications of the work, using a compelling storyline that confirms the answer. Vary in length depending on the client audience

Agenda

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Core Bain tools for cracking a case



Example of
Bain tools:

- Experience curve
- BDP
- RCP
- PLP
- Reengineering
- Customer segmentation
- Customer retention
- Competitor analysis
- Competitor overviews
- Core capabilities