

MCI invests in windeln.de – leading online store in Germany

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MCI Management S.A. (MCI), leading private equity group in Central Eastern Europe, signs investment agreement with windeln.de, a German company operating an online store offering daily use baby products. Together with the 360 Capital Partners fund, MCI joins present investors DN Capital and Acton Equity Partners in the next round of financing of over EUR15 million.

MCI Management consequently pursues its portfolio development strategy in the segment of e-commerce in Emerging Europe states. Seeing the great potential of the German online sales market, the MCI.TechVentures subfund joined the next round of financing for windeln.de, Germany's largest independent online store selling daily use baby products. In addition to MCI, the group of investors providing capital financing includes present co-owners DN Capital and Acton and the 360 Capital Partners fund. The company intends to allocate newly raised funds for international expansion and extending its product portfolio.

“The investment in Windeln.de is in line with MCI’s investment strategy and the company and its investment stage meet all the criteria we would like our investments to meet” – said Tomasz Czechowicz, Managing Partner of MCI Management S.A. *“We are hoping that with this round of investment, Windeln.de will become the European leader in its category and also successfully develop activities in Poland and Czech Republic.”* – he added.

Vertical online sales (sales of narrow assortment for a specialized group of clients) have been widely successful on the e-commerce market. Many European leaders in online sales come from the German market, which is full of clever and professionally managed e-commerce companies. As proof of Germany's effectiveness in building European leaders in online sales, let us consider the success of such German companies like Zalando (number one in online sales of shoes and fashion products in Europe), CityDeal

(leading collective purchasing portal), Trivago (world's largest hotel comparison website) or cyberport.de (leading European online store with electronics).

WindeIn.de, established in 2010, has taken advantage of rapid growth on the European e-commerce market. The year 2012, was the company's second full financial year when it presented impressive growth dynamics of 300%. With monthly revenues of EUR4 million, windeIn.de is going to become the leader in the category of online sales aimed at parents in German-speaking countries. Its current product portfolio includes over 20,000 items dedicated to children and mothers. WindeIn.de enjoys very high customer loyalty - nearly 70% of orders are return orders from existing customers, indicating high satisfaction rates from shopping parents.

"We are happy to receive new financial support that will enable us to expand onto new European markets, especially that this support comes from four leading European investors" - said Konstantin Urban, Cofounder and Managing Director of windeln.de

Alexander Brand, also Cofounder and Managing Director, adds: *"This capital will enable us to develop our product offering and ensure even better quality of service."*

Windeln.de intends to allocate the new capital, among others, to strengthen its position on the German market and commence expansion to other countries. Still this year, it will launch its operations in Switzerland, Poland and Czech Republic. Enhancing the portfolio with new product categories and opening to new dynamically growing markets are factors that will guarantee further growth of the company's value.

As part of the new investors' cooperation with windeln.de a five-person advisory body has been created, including Nenad Marovac (DN Capital), Christoph Braun (Acton), Tomasz Czechowicz, Fausto Boni (360 Capital) and Jochen Gutbrod, private investor and former vice president of Georg von Holtzbrinck publishing group.

About windeln.de:

Windeln.de is Germany's largest online store offering daily baby care products. The online vendor offers over 20,000 products from over 300 brands that young parents can order from the convenience of their own homes. The store offers, among others, diapers, baby food, skin care products as well as safety products like gates and baby monitors. Windeln.de was founded by Konstantin Urban and Alexander Brand in October 2010. Today the Munich-based company employs 50 people.