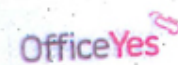
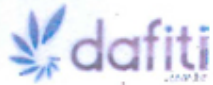


## Fastest growing global opportunities in e-commerce

Combining two mega-trends: Emerging Markets and Emerging eCommerce

Investor Presentation, January 2013



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# Agenda

## 1. Rocket internet overview

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## Rocket Internet is the largest, most successful and truly global online venture builder in the world

- **Started in 2004<sup>1</sup>** by serial entrepreneurs Alexander, Marc & Oliver Samwer
- **Incubated more than 100 fast growing online companies** all over the world since inception
- **Currently 25+ international branch offices** on all 5 continents from Africa to South East Asia
- **Operated by a highly talented team** of Business Development, Operations, IT and Online experts
- **Many of the founded companies** have seen more than a **10x increase in valuation** over the last couple of years.
- **Close partnerships** with some of the world's leading sector specialist investors and entrepreneurs



- **Operational Reach:** **40+ countries** worldwide (tot portfolio)
- **Employees:** **1,000+** (Rocket Internet Group)  
**27,000+** (tot portfolio)
- **Foundations:** **100+** in total / 40+ active
- **Exits:** **30+**
- **Funding Volume:** **\$1.5bn+** (tot portfolio)
- **Revenue:** **\$2.5bn+** p.a.<sup>2</sup>

<sup>1</sup> Under European Founders Fund label, since 2007 under own Rocket Internet label  
<sup>2</sup> Total portfolio at current run-rate, excluding Citydeal/Groupon

The driving force behind Rocket's success are the Samwer Brothers, which Forbes recently recognized among the top 12 global entrepreneurs to watch

**BusinessWeek**

» The Samwer brothers, Alexander, Marc, and Oliver, are among the most successful Internet entrepreneurs and investors in Europe.«



**Forbes**

» The Samwers have become pillars of the fast-growing European high-tech investment community and role models for a new breed of homegrown continental entrepreneurs.«

Marc Samwer

Oliver Samwer

Alexander Samwer



As entrepreneurs and investors, the Samwers have successfully grown and exited over 30 companies worldwide in the last 13 years

Selected exits

**\$53mm**  
  
Auktionsart für alle

similar model sold to  


- Online auction leader in Germany
- Launched in 1999 and sold 100 days after launch

**\$273mm**  


similar model sold to  


- Leader in wireless services in western Europe and the US
- Launched in 2000 and sold in 2004

All share deal  
  
Online, Mobile, Local, Fashion, Travel

similar model sold to  


- Online collective buying leader in Europe
- Launched in 2009 and sold in 2010

Maturing



similar model  


- Shoe and Fashion leader in 6 European countries
- Launched in 2008, 2012E revenues >€1bn

Company

Similar model

Sold to

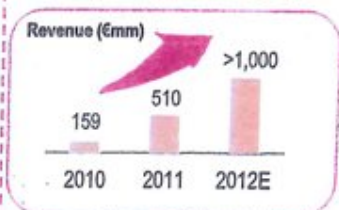
  
  


  
  
 Financial investor

The Samwers' talent in identifying the right business models and their ability to outperform all competitors in terms of operations and speed is unrivalled  
 Over \$1.5B were invested in the last 3 years into our portfolio companies (80% into global eCommerce models)

<sup>1</sup> Investment and complete exit via European Founders Fund  
<sup>2</sup> Foundation and partial exit via Rocket Internet

Close partnerships with some of the world's leading sector specialist investors and entrepreneurs who invested over \$1.5B in our companies over the past three years

Sector specialists

**DST**

**\$315mm invested**

Other investments:  
Facebook, Zynga, Groupon,  
Spotify, Twitter, 360buy

**NEA**

**\$30mm invested**

Other investments:  
Groupon, Gilt Groupe,  
3com, TIVO,  
CareerBuilder,  
Diapers.com

*"The Samwer brothers' superb execution of their global e-Commerce leadership strategy is second to none. The Samwers are visionaries in their field."*

*Peter Baris, General Partner*

**VENTURE PARTNERS**

**Up to \$140mm invested**

Other investments: Vente-privee, Jamba, McAfee, Avast, Ogone, FleetCor

Strategics

**Investment AB Howard**

**>\$1bn invested**

Portfolio includes Tele2, MTG, Cdon, Metro, Millicom, Avito.ru

**INTERNATIONAL BUSINESS DEVELOPMENT CORP.**

**\$340mm**

**TENNESSEAN VENTURES**

**\$50mm**

**HV VENTURES**

**\$120mm**

**PPR**

**Up to \$25mm**

*"Rocket's sector knowledge and proven execution capabilities put them in the best position to become one of the largest global Internet players."*

*Cristina Stenbeck*

HNWIs

**ACCESS INDUSTRIES**

**Up to \$300mm invested**

Other investments:  
Natural Ressources, Media, Telco and Real estate

**WORLD TRAVEL GROUP**

**Up to \$10mm**

**VENTURE PARTNERS \$70mm**

*"We are proud partners of Rocket, as we see in the Samwer brothers entrepreneurial drive, motivation and smart thinking which we want to support."*

*Leonard Blavatnik*

**VICTOR PINCHUK**  
**up to \$30mm**

Institutional investors/ PE

**J.P.Morgan**  
Asset Management

**Up to \$150mm invested**

Other investments:  
Twitter

**BLAKENEY MANAGEMENT**

**\$70mm+**

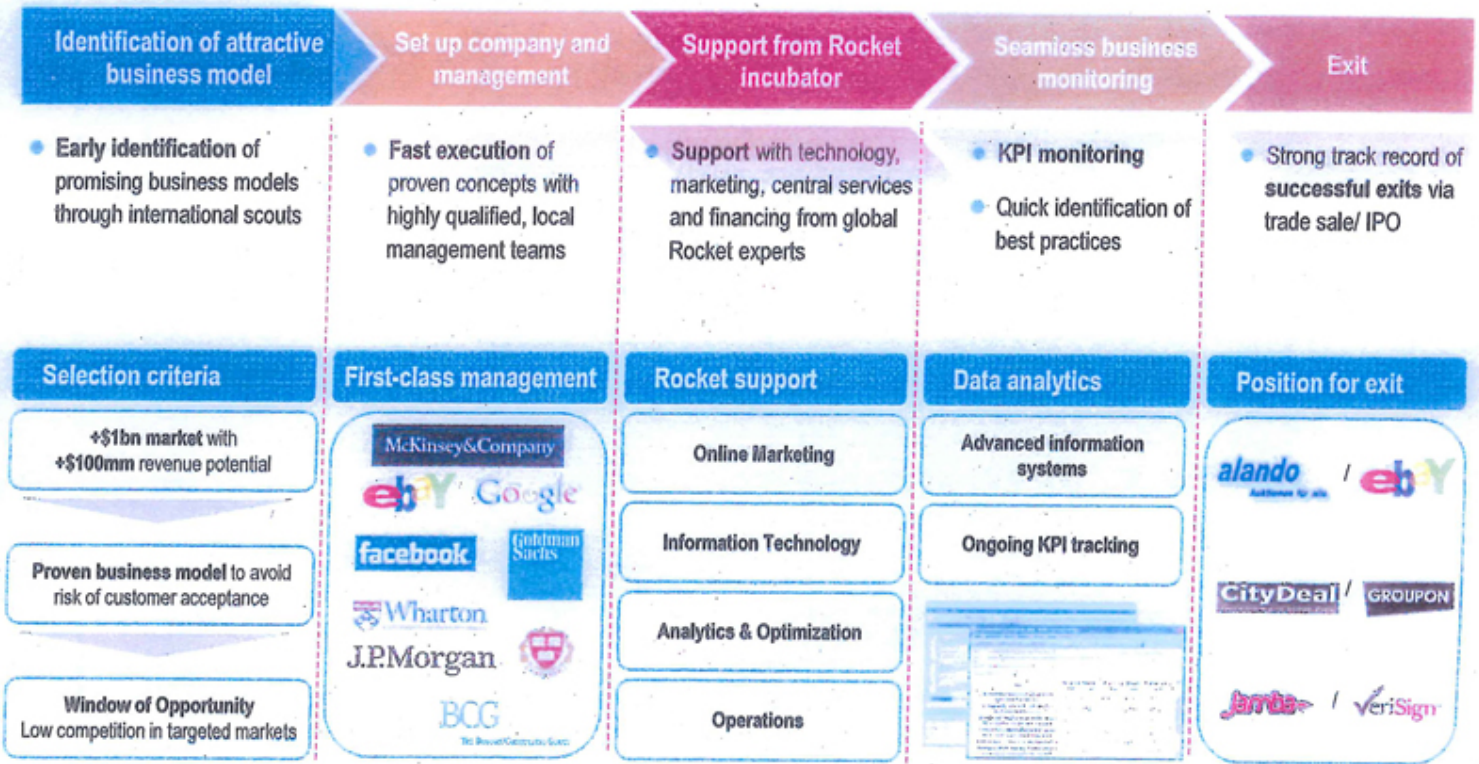
*"The founders' world-class ecommerce know-how and dedication to superior customer service will enable them to expand upon their leading market position."*

*Larry Unrein, MD*

**MARSHALL WACE**

**Up to \$45mm**

# Execution-driven business model



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## Agenda

### 2 e-Commerce is disrupting traditional retail



## Why e-Commerce will win

### More selection: More brands, more products, more colors

- Wider selection of brands and SKUs available with virtually infinite shelf space in a dynamic environment
- Long tail economics: selling less units of more products

### Cheaper: Cheaper to run, cheaper for customers

- Logistical cost advantage: lower overhead costs, store space, insurance and infrastructure investment
- Better management of inventory and lower units required in stock

### Ubiquitous: Anytime, anywhere

- Online shops are open 24/7 around the world with very short delivery times
- Multitude of payment options available, free shipping and competitive return policies

### Segmentation: Target the right customers for the right products

- Superior product targeting: ability to recommend products based on "crowdsourcing" and reviews
- Allows for different front stores/POS for each category, tapping into several niche market

### Changing behaviour: Changing buying behaviour

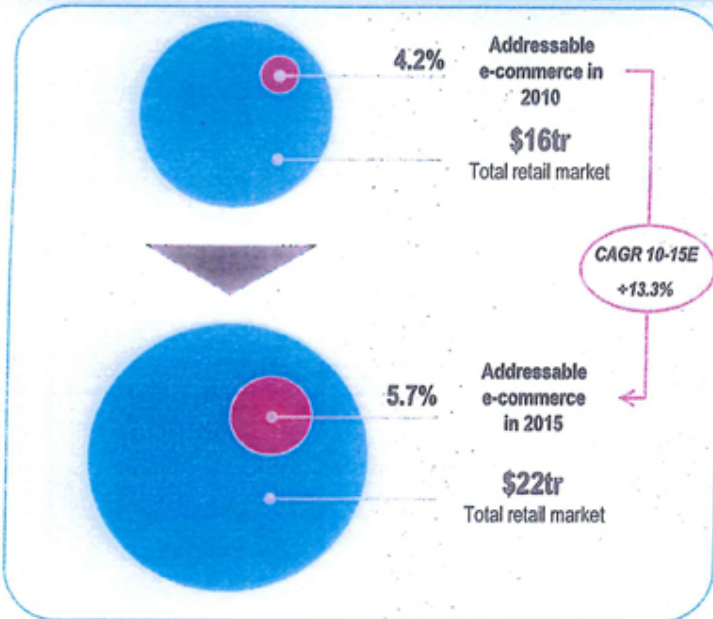
- Young users are increasingly adopting online shopping
- Increasing online engagement through mobile usage



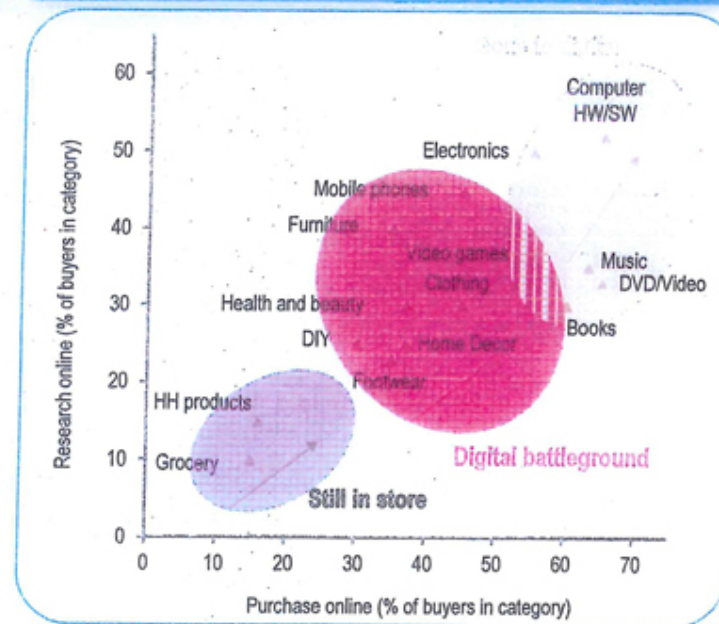
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## e-Commerce is a large market with attractive growth dynamics

### The retail opportunity is huge...



### ... and structurally shifting outline

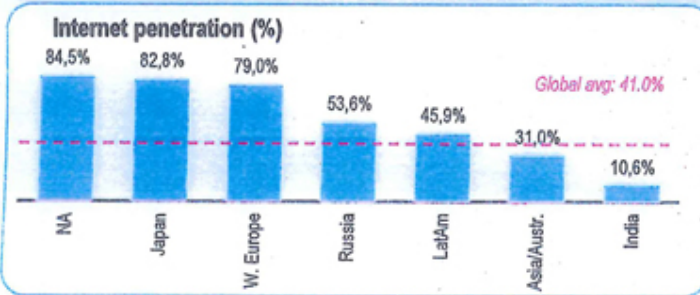


- Secular shift from traditional retail to online shopping
- The "Research online, buy offline" concept is evolving to a "Research online, try offline, and buy online" mentality

Sources: McKinsey, IDC, Planet Retail

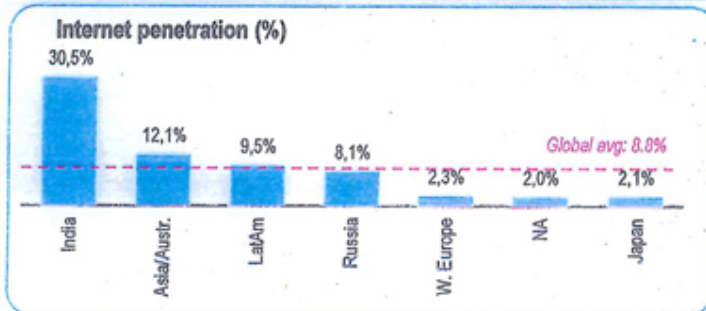
Structural growth and improving infrastructure are fuelling e-Commerce momentum...

### Structural growth across emerging markets



→ Significant uplift to be grabbed by first movers

### Fast growing Internet user base ('10-'15E CAGR)



→ Emerging countries will play a major role in the internet space

Sources: IDC, EIU

### High e-Commerce growth across Rocket's key markets

#### e-Commerce market growth rate -2010-2015E



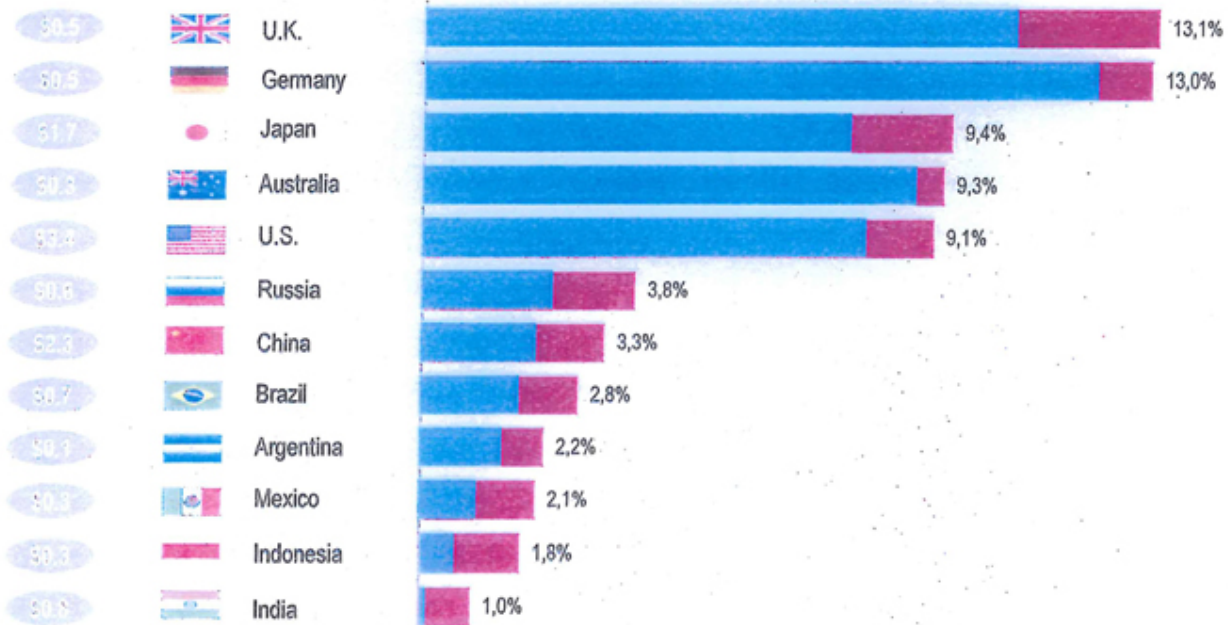
...offering significant upside potential in the future

High growth potential for e-Commerce sector

2012 Retail market size (\$tr)

Online retail as a percentage of total retail, 2012/15

■ 2012 ■ 2015



Sources: Planet Retail, IDC

## Emerging markets' e-Commerce momentum is fuelled by 3 megatrends: Macro, retail and online growth

		Latin America	South East Asia	India	Russia
Large markets	Population (mm)	446	559	1,241	142
Macroeconomic growth	GDP CAGR 2010-15E	3.9%	4.6%	7.0%	3.9%
Retail growth	CAGR 2010-15E	6.3%	8.9%	8.9%	8.2%
e-Commerce growth	CAGR 2010-15E	24.3%	24.3%	123.6%	31.5%

Just as mobile phones leapfrogged fixed lines, e-Commerce will leapfrog offline retail in the Emerging Markets



- Emerging markets are disrupting classic business models by skipping one generation
- With improvements in infrastructure, EM will be much faster to adopt e-retail

Note: SEA figures include Hong Kong, Indonesia, Malaysia, Taiwan, Thailand, Singapore, Philippines, Vietnam  
 Latin America figures include Argentina, Brazil, Chile, Colombia, Mexico, Venezuela  
 Sources: EIU, Worldbank, PlansiRetail

## Agenda

### 3 The investment opportunity at a glance

Case study: in just 4 years Zalando has become the European market leader in online fashion retail, surpassing €1bn in revenue

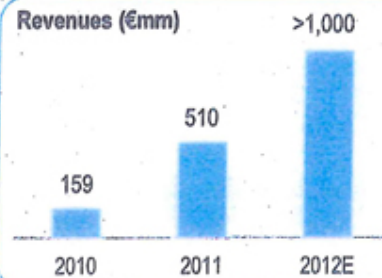
### Zalando at a glance

- **Founded in 2008** in Berlin, Germany
- Operates in **14 European countries**, expanding to further markets
- **5000+** employees
- **Hundreds of brands & ten thousands of products** in assortment
- **€600m+** in funding by investors including DST, Kinnevik, J.P. Morgan Asset Management and others

### Competitive Advantages

- **Largest product selection**
- **Highest customer convenience**
- **Shortest delivery times**
- **Most reliable fulfillment**

### Strong growth profile

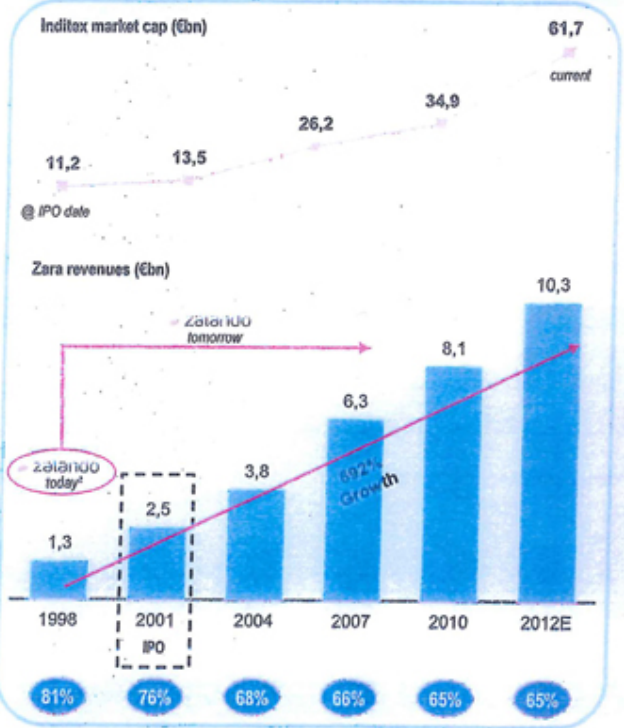


# Case study: Zalando is replicating Zara's proven business model without owning the physical stores

# ZARA

	zalando	ZARA
Revenues	>€1bn	€9bn
Growth (prev. year)	135%	21%
Gross margin	52%	59% <sup>1</sup>
% of online revenues	100%	c.2%
Commercial retail space	0	1,825k m <sup>2</sup>

## Zalando follows Zara's growth path

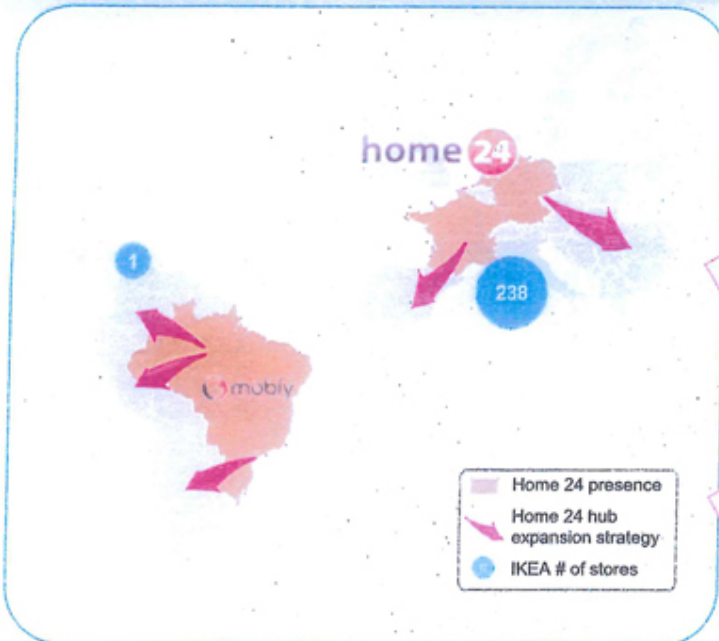


Sources: Company Information, Factset, Thomson Research  
 Note: Inditex market cap at year-end unless otherwise specified  
<sup>1</sup> FY 2011A for Inditex Group; <sup>2</sup> At run-rate revenues



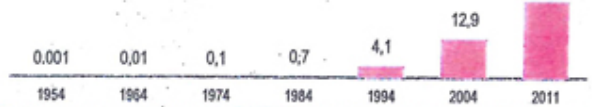
Case study: IKEA has built an offline home & furnishing empire which Home24 is successfully replicating online

Home24 is expanding its business using a two-hub strategy...



..with a much leaner cost base than traditional models

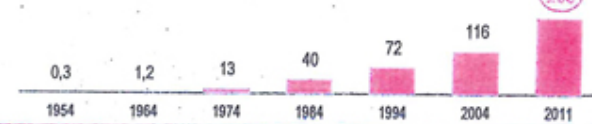
IKEA revenues (€bn)



IKEA stores



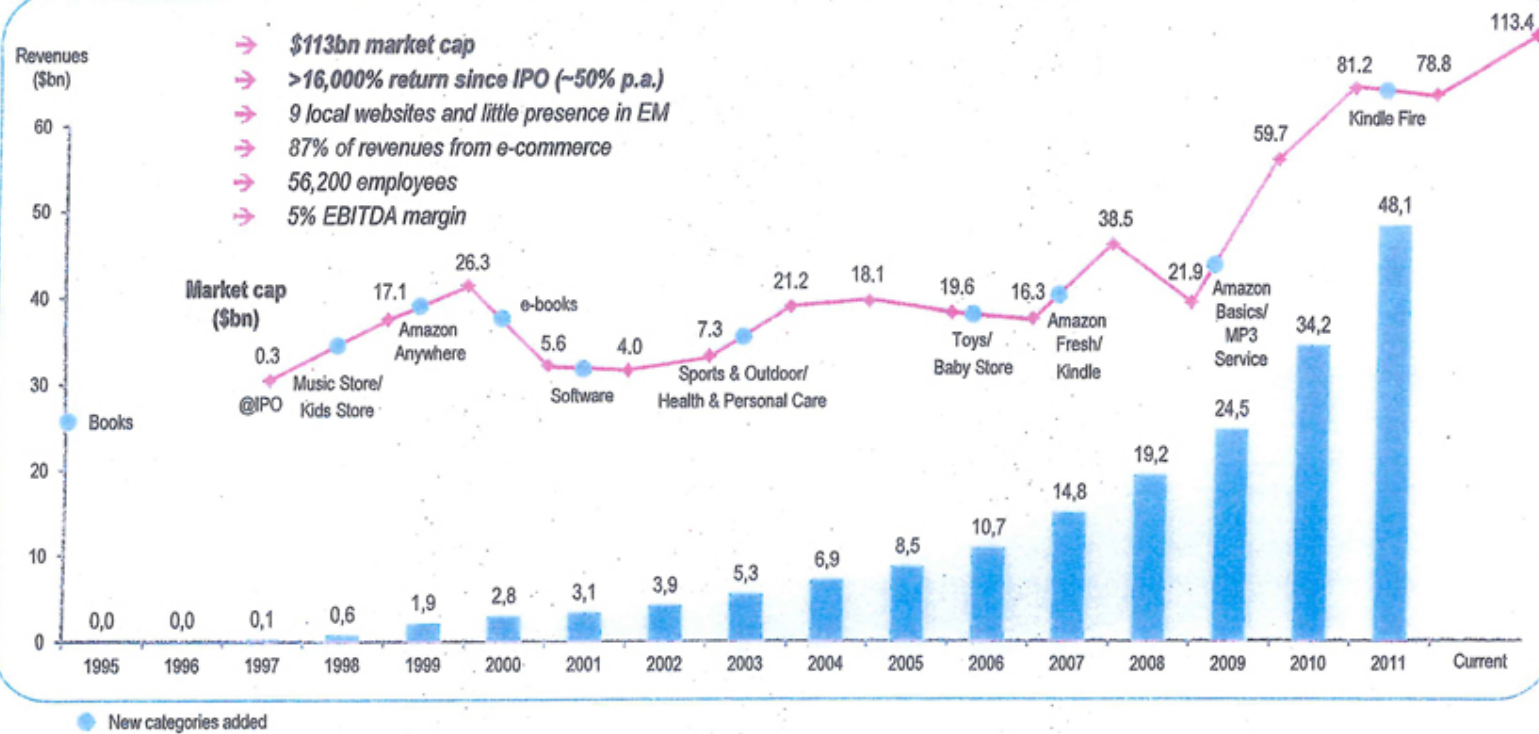
IKEA catalogues (in Millions)



Home24 is using the proven e-commerce concept to replicate a multi-billion business in just a few years

Case study: Amazon has successfully built an e-commerce platform of scale **amazon.com**

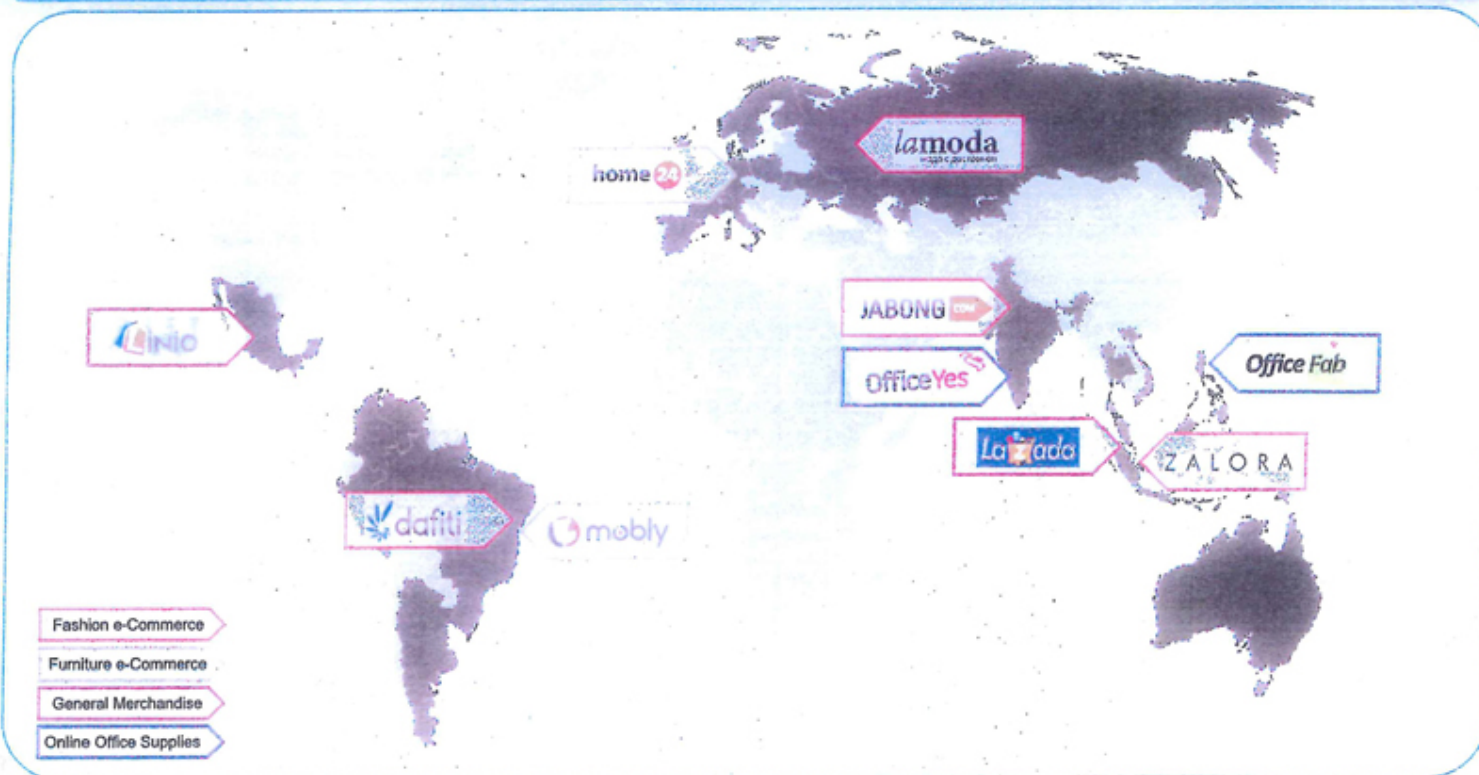
Amazon.com is an e-commerce pioneer and the leading online department store in the United States and Europe



Source: Company Information, Factset

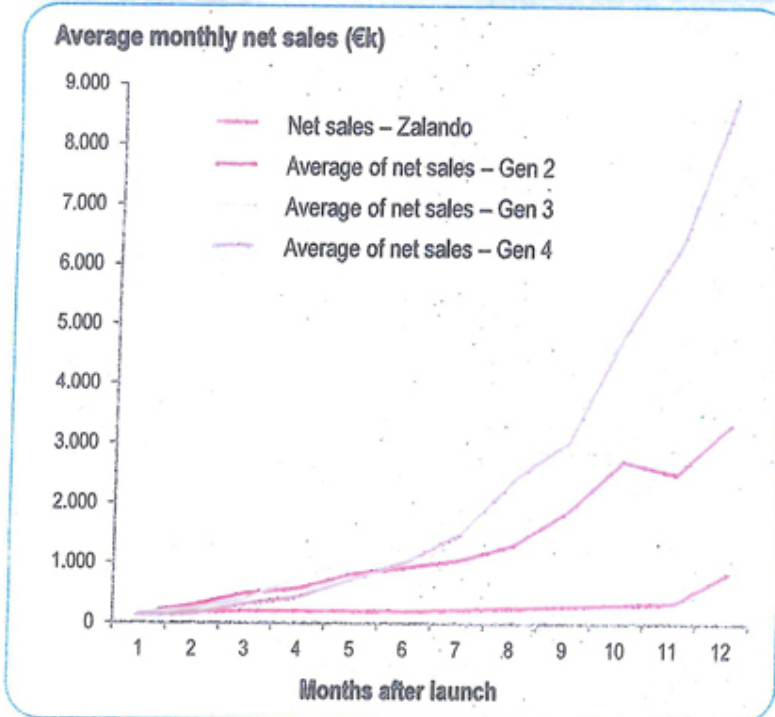
## Rocket Internet's Global e-Commerce Footprint

Overview of global opportunities - each company is the market leading player in its respective target region



## The latest generation of companies is validating the power of the learning curve

Each generation of companies achieves previously set benchmarks in a shorter time period



\* Including business plan estimates for future months; smaller countries omitted from averages

### GENERATION 1

**zalando** → Founded in 2008 in Germany

### GENERATION 2

**dafiti**  
**lamoda**  
→ Founded in 2011 in Brazil and Russia

### GENERATION 3<sup>†</sup>

**JABONG** → Founded in 2011 in India

### GENERATION 4<sup>†</sup>

**ZALORA** → Founded in 2012 in South East Asia

Rocket's e-commerce assets offer the best value proposition investment opportunities to capture future growth in emerging markets

Rocket offers 7 different investment opportunities within the 3 different verticals

Vertical	Rank	Description	Run-rate gross revenues*	Company
Fashion	1	Latin American leader in online fashion	€225mm	dafiti
	2	Russian fastest growing e-Commerce platform	€233mm	lamoda
	3	South East Asian leader in online fashion	€97mm	ZALORA
	4	India's most prominent online lifestyle megastore	€42mm	JABONG
General Merchandise	5	Fastest growing online department store in Latin America	€40mm	LINTO
	6	Hyper growth multi-category e-Commerce platform in SEA	€67mm	Lazada
Furniture & Home		Worldwide online category killer for home furnishing	€151mm	home 24
Office	8	Fastest growing online office supplier in India and SEA	€5mm	OfficeYes, Office Fab

\* Annualized run-rate gross revenue based on November 2012 trading