

---PRESS RELEASE---
Palamon Capital Partners, L.P.
leads

Breakthrough leveraged re-capitalisation of TeamSystem SpA

Palamon Capital Partners has completed a breakthrough leveraged re-capitalisation of its majority held portfolio company, TeamSystem SpA . The complicated legal, tax and regulatory environment in Italy makes operations of this kind very rare and Palamon is proud to have developed this transaction with Centrobanca, bringing more complex financial structures to the rapidly evolving Italian private equity market.

TeamSystem is one of Italy's leading suppliers of accounting, tax and payroll management software systems serving small-to-medium sized enterprises and the small-office-home-office markets. Product loyalty is unusually high with over 98% of customers renewing their service annually. Over the past several years, the trading performance of TeamSystem has been exceptional with revenue and EBITDA growth of over 20% per annum, despite a very difficult environment for IT sales due to the slowing Italian economy.

Through a sophisticated transaction structure, Palamon and TeamSystem management worked closely with Centrobanca to secure debt financing for the TeamSystem Group which resulted in a release of €75 million to shareholders, while leaving the Group with a comfortable net debt to EBITDA ratio of 3.3 times. Centrobanca commented: "TeamSystem is a quality asset whose cash flow growth and performance has been tremendous and will continue to perform outstandingly. We are delighted to be part of Company's future"

Given the Company's strong financial position and cash resources, Palamon determined that it could execute a re-leveraging transaction that would allow a substantial return on initial capital invested while continuing to maintain its ownership position in TeamSystem. Additionally, TeamSystem is left with free cash of almost €20 million available for acquisitions.

"This transaction fully reflects TeamSystem's ability to generate consistent cash flows and revenue growth of 20% per year despite difficult market conditions. I believe our strong market position and financial performance gives us the ability to consider various strategic alternatives – including a possible IPO", stated TeamSystem CEO, Gianandrea De Bernardis

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Note to the editor:

Palamon Capital Partners, L.P. is an independent private equity partnership founded in 1999, which is focused on providing equity for European growth services companies. Palamon is one of the few truly pan-European investors originating, executing and managing investments in the UK, Italy, Spain, Denmark, Sweden, France and Germany. The Firm targets investments of between € 20 and € 50 million in companies where it can be the lead private equity provider and where the partnership's experienced principals can provide strategic direction and support to help build equity value.

The Firm manages Palamon European Equity, L.P. and its parallel funds, which together have capital commitments of € 440 million, making up one of the largest pools of private equity capital dedicated to growth investment opportunities in Europe's mid market arena. Investors in Palamon funds are based in the US, Europe and the Middle East and are among the most significant investment institutions in the world.