



**For immediate release
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PALAMON CAPITAL ACQUIRES MAJORITY SHAREHOLDING IN SIGLA GROUP

Palamon Capital Partners, one of Europe's leading mid market private equity firms, has acquired a 66.7% stake in the Sigla Group (Sigla), an Italian consumer finance company.

Sigla, which has been established for over 20 years, provides personal loans for private individuals with an average life of three years and an average size of €4,000. Palamon believes that Sigla represents a solid operating platform on which to build a pre-eminent personal loans business in Italy.

The Italian credit market, although relatively underdeveloped, is estimated to be growing at 14% a year. The personal loans segment - in which Sigla has experience - has shown the highest levels of growth.

Palamon has initially committed €10 million of equity and intends to invest a total of €30 - €40 million of equity over the coming five years. Furthermore, Palamon has arranged a step-up warehouse facility from Barclays Bank to finance Sigla's growth.

Palamon believes Sigla's recapitalisation will increase the number of "good risks" the firm accepts and enable more brokers to offer its products, particularly in regions in the west and south where Sigla is seeking to develop new relationships. Over time, management believes that it will be able to add new products, channels and target markets to the existing platform.

Sigla's co-founder and President, Ettore Riello will remain a significant minority partner with an equity interest of 33.3%. In order to implement the growth strategy, Palamon has strengthened Sigla's management team with the appointment of four new senior executives. Neil Radley, formerly General Manager of the credit division of HBOS, has been appointed Chairman and Vieri Bencini has been appointed CEO, having spent the past six years as a banking and securities consultant with McKinsey & Co. Martin Jackson, previously at UK credit monitoring firm Equifax UK, has been appointed Head of Credit and Mauro Tartaglia has been appointed CFO, having joined Sigla from Fiat Credit Finance where he was CFO.

Palamon's thesis-driven approach played a key role in enabling the firm to identify the strong growth potential in the European consumer credit sector. With its knowledge of the Italian consumer credit market, Palamon was able to identify Sigla as a high quality company that met its investment criteria.

Stefano Bacci, a partner at Palamon, commented, "Sigla is an ideal fit for the Palamon portfolio as our 'buy and build' focus perfectly complements Sigla's requirements at this stage in the company's development. The credit market in Italy is experiencing strong growth and against this backdrop, Sigla has the right ingredients to rapidly build market share. Sigla's established brand and reputation, stable operational base, as well as its excellent risk scoring and credit records makes it a strong platform for development."

The Sigla investment continues Palamon's focus on a core area of its expertise. Palamon has been an active investor in Italy since the firm was founded in 1999 and the country ranks second in its portfolio by volume of its investment assets. In December 2004 Palamon made a successful exit from Italian financial software company TeamSystem which generated an IRR of over 50%. In the consumer credit sector, Palamon's existing investments include SAV Credit Limited, a UK credit card issuer, and Nordax Finans AB, a Swedish personal loans provider.

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Palamon Capital Partners

Palamon Capital Partners, LP 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 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.