



**FOR IMMEDIATE RELEASE
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PALAMON ANNOUNCES FINAL CLOSING OF PALAMON EUROPEAN EQUITY II, L.P.

Palamon Capital Partners, L.P., one of Europe's leading mid market private equity firms, today announces the final closing of its second fund, Palamon European Equity II L.P. ("Palamon II"), with commitments totalling €670 million. Palamon II is more than 50% larger than Palamon's €440 million maiden 1999 fund, Palamon European Equity L.P. ("Palamon I"). With Palamon II, the Firm will be able to extend its activities in the European development capital market, further expanding its successful "equity for growth" investment strategy.

Palamon is among only a handful of private equity firms founded in 1999 in Europe or the United States that has been able to return to market and successfully complete a second fundraising. This is due to the success of Palamon I, which has made 15 investments in seven countries and returned over 90% of the capital invested through six exits while continuing to hold nine companies with substantial unrealised value.

Palamon II has already committed €84 million to three portfolio companies comprising Loyalty Partner GmbH, Germany's highly successful multi-partner loyalty programme operator; Espresso House AB including its Coffee Cup operations, the largest chain of branded coffee bars in Sweden; and cadooz AG, a rapidly growing German marketing services company.

Palamon's ability to execute transactions successfully across Europe arises from its multi-cultural investment team, which comprises twelve investment professionals from eight countries of whom nine are Partners of the Firm. Operating from a single London office, the team's maturity and breadth of experience has enabled it to transact right across Europe.

A total of 30 investor groups, including both new and returning limited partners, have invested in Palamon II. Among the returning partners are the Washington State Investment Board, Oregon Public Employees Retirement Fund, Morgan Stanley Alternative Investment Partners, Adams Street Partners, Pennsylvania SERS, Swiss Re and City and County of San Francisco Employees' Retirement System. Among the new investors are AlplInvest, Chubb Insurance, the Irish National Pension Reserve Fund, the Church Pension Fund, NORD Holding, Scottish Widows Investment Programme and Macquarie Global Private Equity Fund.

Michael Hoffman, Co-Founder and Managing Partner of Palamon Capital Partners, said, "We are very pleased to have exceeded our target for our final close of Palamon II. We were able to achieve this by retaining broad-based support from our existing LPs while attracting a group of highly regarded new LPs from around the world."

Commenting on the investment strategy, Louis Elson, Co-Founder and Managing Partner of Palamon Capital Partners said, "Palamon's success has been a direct result of an unerring commitment to our strategy of investing in European growth companies, even as volatile market conditions have induced many other firms to change their focus and their strategies. We have dedicated ourselves to providing entrepreneurs across Europe with advice, capital and long term partnership, enabling them to achieve the full potential of their businesses and create significant value for our investors."

Palamon II, which will typically take control positions through multiple tranches of investment, will continue the Firm's policy of investing €10 million to €80 million throughout Europe in middle-market businesses in services sectors displaying significant growth potential.

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Advisers:

Legal: S J Berwin (overall), Ropes and Gray (US) and P&P Poellath & Partners (Germany)

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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, as a pan-European investor, originates, executes and manages investments in the UK, Italy, Spain, Denmark, Belgium, 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 Palamon European Equity II, L.P., capitalised at €1.1 billion, and 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 mainly in the US and Europe and are among the most significant investment institutions in the world.

For more information on Palamon refer to www.palamon.com