



For immediate release

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PALAMON ACQUIRES MAJORITY SHAREHOLDING IN CADOOZ AG

Palamon Capital Partners, one of Europe's leading mid market private equity firms, has acquired a controlling stake in cadooZ AG ("cadooZ"), one of the largest providers of gift certificates for corporate customers in Germany.

cadooZ was established in 2000 and has quickly grown to become one of the market leaders in the German gift certificate service sector by overall size, range of products, number of customers and redemption partners. cadooZ is growing in excess of 50% per year and operates a high quality IT platform which handles over 300,000 gift certificates each year for its customers.

The corporate gift certificate market in Germany has a potential in excess of €1 billion and is expected to continue growing at double-digit rates in-line with international trends. Gift certificates provide an excellent motivation tool for sales and non-sales employees or reseller, dealer and agent networks as well as for consumer acquisition. Gift certificates from cadooZ can be directly or indirectly redeemed in approximately 100 leading German retailers including Amazon, Christ, Douglas, Galeria Kaufhof, H&M, Ikea, Intersport and Media Markt, in more than 6,000 branches across Germany and through various online channels.

Palamon has committed €15 million of capital to acquire a controlling stake in cadooZ and provide the business with sufficient growth capital to improve its product and service offering for further expansion. cadooZ will continue to be led by its founders, Kai Greese (COO) and Michael Seydel (CEO), who will remain on the Board and retain significant shareholdings.

Michael Seydel, CEO of cadooZ, said, "From a standing start six years ago, cadooZ is today a successful company with strong development prospects. We are pleased to have found in Palamon an investor that shares our entrepreneurial mindset and supports our vision. This is excellent news for our customers who can expect to benefit from a new level of investment in our business operations. With a strong and experienced financial backer we are set to grow rapidly both domestically as well as overseas."

Holger Kleingarn from Palamon Capital Partners, said: "This is an exciting investment for Palamon. cadooz is a clear market leader in its sector, having built an outstanding and highly satisfied customer base as well as a partner network of first class merchants. The company has a state of the art range of products and services that place it far ahead of competition. We are delighted to be supporting this unique company with experience and resources which will be required to take it to the next stage of development."

cadooz marks Palamon's third recent investment in Germany and is indicative of the Firm's commitment to the growing opportunities in the country. Palamon's investments in Germany include Loyalty Partner GmbH, Germany's most successful loyalty scheme and D.A.V.I.D. GmbH, a leading provider of radio and TV software to the broadcasting industry. In addition, Palamon's portfolio activities include an investment in Star Parks, a pan European leisure group, which owns Movie Park Germany, one of the country's largest theme parks.

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About 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, Germany, Italy, Spain, Denmark, Belgium, Sweden, and France. 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.

To find out more about Palamon Capital Partners visit www.palamon.com

About cadooz

cadooz AG was founded in 2000 in Hamburg and is one of Germany's largest service providers of gift certificates to German and international corporate customers. cadooz has been building a variety of products and services to support the incentive and rewards programmes of its corporate customers. cadooz's success is based on an operating model which benefits all parties involved alike since customers can provide highly effective gift certificates for motivation of various related parties, participating retailers benefit from getting high-spending customers into their stores and the incentivised parties appreciate the flexible multi-choice gift itself.

cadooz is one of Germany's market leaders in its field and has been growing in excess of 50% per year. An overall growing share of gift certificates within the corporate incentives and rewards will further benefit cadooz's development. cadooz intends to broaden its product and service offerings at home and abroad, thereby supporting its customer base and retail partners.

To find out more about cadooz visit www.cadoodz-business.de.