

For immediate release

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Palamon Capital Partners acquires Associated Dental Practices

Palamon Capital Partners (“Palamon”), one of Europe’s leading mid-market private equity firms, has acquired a majority stake in Associated Dental Practices Ltd (“ADP” or “the Company”) in a transaction valued at £136 million. Established in 1985, ADP is the second largest provider of National Health Service (NHS) dentistry in the UK with 122 practices serving 1.5 million patients.

Palamon, alongside co-investors AlInvest Partners, Morgan Stanley Alternative Investment Partners and LDC, have invested £72 million. ADP has been acquired from Smith & Williamson, the administrators of Kaupthing Capital Partners, the former private equity arm of Kaupthing Bank hf and the management. The transaction also involved refinancing the business with a senior debt package of £37.5 million provided by Lloyds TSB Corporate Markets Acquisition Finance and Royal Bank of Scotland. The senior lenders have also made available a significant acquisition facility to support the continued growth of the Company.

ADP is led by CEO, Bharat Patel, and his management team, who will continue to manage the business going forward and have again invested in the business. Mr Patel joined the Company in 2003 when the business had 15 practices and is considered to be the architect of the significant growth of the business over the last six years.

Commenting on the transaction, Jonathan Heathcote, Partner at Palamon Capital Partners, said: “With its experienced management team and strong reputation, ADP is an excellent platform with which to continue to consolidate the highly fragmented UK dental market. We expect that the industry will see significant changes in the next decade and want ADP to be at the forefront of providing both primary care trusts and patients with efficient and high quality clinical services.”

Bharat Patel, CEO of ADP commented: “We have ambitious plans to increase further the number of NHS dental practices within the ADP Group and to extend the range of services we offer patients. It was therefore important to partner with investors that had both the financial resources and a clear vision of how the market will evolve. With the backing of Palamon and its co-investors, the Company is now in a strong financial position and able to take on the next phase of growth.”

This transaction marks the thirteenth investment of the Firm’s second fund, Palamon European Equity, II, which now has over 60% of its €670 million invested. It also marks Palamon’s third healthcare investment this year. Palamon invested in Grupo SAR, one of Spain’s leading providers of care to the elderly, in May 2009 and most recently invested in Polikum, a German operator of Health Clinics.

For further information

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Notes to the editors

Associated Dental Practices

ADP is the third largest UK dental chain and the second largest provider of NHS dentistry in the UK with 122 practices serving 1.5 million patients. ADP is committed to NHS dentistry and to expanding its services through working closely with Strategic Health Authorities and Primary Care Trusts across the UK to create new NHS dental practices and additional dental access for NHS patients. In 2008, ADP generated revenue of over £70 million.

For more information on ADP refer to www.adp-dental.com

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

Advisors to Palamon

Financial and tax due diligence	PriceWaterhouseCoopers	Philip Hines
Commercial due diligence	Deloitte	Alan Gasson
Legal advisers	Slaughter and May	David Wittmann
Debt advisers	Augusta	Mike Johnson
Insurance	Marsh	Helen McGee
Environmental and clinical	ERM	William Butterworth

Debt providers

Lloyds TSB Corporate Markets Acquisition Finance	Neil Price, Jonathan Kay and Ian Sale
Royal Bank of Scotland	Callum Bell

Advisors to ADP

Legal advisers	Dundas & Wilson Pinsent Mason	Simon Sale Andrew Masraf
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