



For immediate release

11 November 2008

Palamon invests in DS Produkte

Palamon Capital Partners ('Palamon'), one of Europe's leading mid market private equity firms, has agreed to invest in DS Produkte, one of Germany's leading suppliers of innovative fast moving consumer products.

Founded in 1975, DS Produkte has grown to become a major consumer goods supplier in the €90 billion German non-food market. DS Produkte's high quality and innovative product range is marketed to consumers through various media channels such as TV, internet or catalogues. A significant volume is distributed through a large number of mail-order and retail companies. Located in Stapelfeld, close to Hamburg, and with a logistics centre in Gallin, the Company employs 250 people.

The terms of the transaction were not disclosed, although it involved Palamon taking a significant shareholding in the Company and making an injection of capital to fund its growth plan. DS Produkte will continue to be run by its current co-owner and CEO, Ralf Dümmel, and CFO, Andreas Schneider. Founder and co-owner Dieter Schwarz, will continue to serve as Chairman of the Company.

Louis Elson, Co-Founder and Managing Partner of Palamon Capital Partners, said: "We are delighted to be investing in DS Produkte, a high growth business that is driven by an outstanding management team". Holger Kleingarn, Partner at Palamon Capital Partners, commented: "We are very excited by the continued growth opportunities that exist in this market segment and together with the products offerings and its current market position, DS Produkte is ideally placed to expand further."

Commenting on the transaction, Dieter Schwarz, DS Produkte's Founder, co-owner and Chairman, said: "This partnership with Palamon marks a new phase in our development. As experienced pan-European growth investors, I am confident that their strategic and financial support can enable us to significantly add scale to our business." Ralf Dümmel, CEO and co-owner of DS Produkte, added: "In the last few years, we have built a very strong market position and are regarded as a trusted and reliable partner to customers and suppliers. Going forward, we aim to roll-out our products and capture a significantly higher share of our target markets."

Palamon's investment in DS Produkte marks the tenth investment in its second fund, Palamon European Equity II, L.P., which was raised in 2006 and has commitments of €670 million. Palamon has a diverse range of investments across Europe which include Dress-for-Less, one of Europe's largest on-line fashion retailers, Loyalty Partner, the operator of Germany's largest loyalty card PAYBACK and Retail Decisions, a global payment card business.

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For further information

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Notes to the editors

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 investment professionals 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

DS Produkte

DS Produkte was established in 1975 by Founder and Chairman Dieter Schwarz and is run by co-owner and CEO Ralf Dümmel. It has become one of Germany's leading suppliers of innovative and fast moving consumer goods to the €90 billion non-food market. DS Produkte has over 400 products which are sourced globally. Its high quality and innovative product range is marketed substantially through media such a television and serves all major German mail-order companies and retailers.

For more information on DS Produkte refer to www.dspro.de

Advisors to the transaction

Palamon

Financial and tax due diligence:	PriceWaterhouseCoopers
Legal due diligence:	Willkie Farr & Gallagher
Commercial due diligence:	Kurt Salmon Associates

DS Produkte

Financial adviser:	Blue Corporate Finance
Legal support:	Taylor Wessing