

Palamon sells cadooz to strategic buyer, Euronet

Palamon Capital Partners (“Palamon”), one of Europe’s leading mid market private equity firms, has agreed the sale of cadooz AG (“cadooz” or “the Company”) to Nasdaq-listed strategic buyer, Euronet Worldwide (“Euronet”), a leading global electronic payments provider and distributor, headquartered in Leawood, Kansas, USA. The details of the transaction were not disclosed.

cadooz, headquartered in Hamburg, is Germany’s largest full-service provider of vouchers, innovative merchandise and incentive solutions, generating annual revenue in 2011 of €80 million. The Company serves more than 3,000 corporate customers across a range of industries in Germany, Austria and Poland, offering a broad range of multi-choice gift certificates and cards that can be redeemed at more than 250 leading retailers at high street locations, on-line stores or using mobile phone applications. Palamon invested in cadooz in 2006, having recognised the trend that innovative voucher and gift card solutions were replacing traditional merchandise, cash and travel incentives as they stimulate sales and increase loyalty.

During Palamon’s ownership, cadooz achieved compound annual growth of its revenue of more than 50% through significant expansion into new customer segments, launching new product lines and broadening its geographic reach. This was achieved both through organic and acquisitive growth. In parallel, efficient operating procedures were developed and processes were automated through the implementation of advanced IT solutions.

Following the transaction, CEO Florian Welsch and his management team will continue to lead cadooz.

Holger Kleingarn, Partner at Palamon, said: “During our partnership with CEO, Florian Welsch, and the management team, cadooz has been transformed by successfully broadening its product offerings, customer relationships and geographic reach and this has delivered significantly higher sales volumes and profitability. The success of cadooz underlines Palamon’s ability to identify growth market segments and build market leaders that are highly attractive to global strategic players. The sale generates a 2.5x return on invested equity and 20% IRR.”

Florian Welsch, CEO of cadooz, said: “Palamon has been a highly active partner and has been instrumental in developing the business strategy which led cadooz through a rapid and sustainable growth phase enabling it to achieve its market-leading position in Germany. Today, we are proud to serve such a high number of blue chip corporate customers and will continue to build our reputation as their innovative and reliable provider of a full range of vouchers and incentive solutions. Together with Euronet we now look very much forward to further expanding our product offerings in Germany and further into Europe.”

This is Palamon’s sixth full realisation in the past 15 months. Recent exits include the sale of marketing services provider Loyalty Partner to American Express in December 2010 and of internet retailer dress-for-less to Privalia in March 2011. Both transactions achieved strong returns of 3x on invested capital. The Firm has a strong track record in investing in niche service sector businesses across Europe with value creation in its portfolio companies arising primarily through revenue and profit growth. In 2010 the Palamon portfolio companies as a whole achieved EBITDA growth of over 35%.

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, Norway, and Sweden. The Firm targets investments in companies where it can be the lead private equity provider and where it can provide strategic direction and partner with management 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, making up one of the largest pools of private equity capital dedicated to growth investment opportunities in Europe's mid market.

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

About cadooz

cadooz is Germany's leading full-service provider of multi-choice gift certificates and cards for corporate incentive programmes and has recently also expanded into Austria and Poland. The Company's BestChoice product is used by corporate customers in multiple industries for customer acquisition, reseller rewards programmes, member referral schemes or staff incentive schemes. During 2011, the Company will provide approximately 1.2 million certificates to around 3,000 corporate customers.

For more information on cadooz refer to www.cadooz.de.

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