

# Exit Announcement - Selection Services

January 2016

## Sale of Selection Services delivers Connection Capital's Clients a return of c1.3x in 3 months

We are delighted to announce the sale of Selection Services Limited ('Selection'), a portfolio company held by Palatine Private Equity's ('Palatine') maiden fund. In October 2015, Connection Capital negotiated the purchase of some non-institutional investor debt and equity in the company.

Selection was founded in 1992 and has developed into a leading, independent supplier of IT services to the UK SME market servicing a broad base of over 500 clients across a range of industry sectors. Clients include David Lloyd Leisure, KPMG, Nuffield Wealth and Bibby Financial Services.

Palatine sold Selection to Castle Street Investments plc ('CSI') a UK based AIM listed company for £34.8 million having originally backed a £15m management buy-out of the business in December 2011.

The sale delivers our clients a total net return of c.1.3x in three months representing an IRR of c.180%.

We were introduced to the opportunity by Palatine due to our close relationship with the firm and our ability to provide flexible solutions to specific needs such as liquidity. We negotiated the equity and loan note purchase from the vendor directly and were able to structure the deal to give our clients significant downside protection whilst still providing the potential for equity upside.

Registering as a client is free and there is no obligation to invest.

Click [HERE](#) to complete online client registration.

Investment date: October 2015

Exit Date: January 2016

Investment: £3.65m

Return: 1.3x, 180% IRR

Legal advisers: Gateley plc

### Investment led by:



**Claire Madden**  
Partner

[claire.madden@connectioncapital.co.uk](mailto:claire.madden@connectioncapital.co.uk)



**Stephen Catling**  
Head of Alternative Investments

[stephen.catling@connectioncapital.co.uk](mailto:stephen.catling@connectioncapital.co.uk)

Connection Capital LLP  
25 Bedford Street  
London  
WC2E 9ES  
T: 020 3696 4010

[www.connectioncapital.co.uk](http://www.connectioncapital.co.uk)

*"When Palatine approached us with the opportunity to provide a liquidity solution for some non-institutional shareholders in Selection, we were delighted to help. We were able to be flexible in structure and once the terms were agreed we moved to completion quickly. The offer proved very popular with our clients and was oversubscribed. We are delighted to have generated such an excellent return in three months for our clients."* - **Claire Madden, Partner**