

## **LEHMAN BROTHERS MERCHANT BANKING UNIT SPINS OUT INTO INDEPENDENT FIRM**

### **New Standalone Private Equity Firm Renamed Trilantic Capital Partners**

NEW YORK, April 10, 2009 — Lehman Brothers Holdings Inc.'s (LBHI or the Estate) merchant banking business, Lehman Brothers Merchant Banking (LBMB), has been jointly acquired by the current management team and Luxembourg-based investment company Reinet Investments SCA (Reinet) today. The new entity has been renamed Trilantic Capital Partners (Trilantic), effective immediately.

Trilantic will manage approximately \$3.3 billion assets, including approximately 20 existing holdings in the LBMB Funds III and IV. The Estate and the current management team retain their respective interests in the general partner (GP) of Fund III, and the Estate has sold to the team and Reinet its GP stake in Fund IV while retaining its ownership as limited partner of about \$230 million of investments in the existing holdings of Funds III and IV. Reinet, which is under the control of Johann Rupert, has purchased a 49% stake in the Trilantic management companies for \$10 million and will take over Lehman Brothers' unfunded commitments to Fund IV of approximately \$230 million. The current management team will own the remaining 51% of the Trilantic management companies for the same \$10 million sum.

Charles Ayres, former managing director and head of global merchant banking for Lehman Brothers, will manage the new group alongside his four other partners, E. Daniel James, Joseph Cohen, Vittorio Pignatti-Morano and Javier Bañon. "Given the circumstances, this transaction is the best of all outcomes," Mr. Ayres said in a statement. "We are optimally positioned to benefit from the opportunities ahead, thanks to our partnership with Johann Rupert, the cohesiveness and expertise of our existing team, and the strong support of both the LPs and the Estate."

LBHI selected the offer from the management team and Reinet after a formal process to assess options for its merchant banking arm, attracting interest from more than 90 parties for its positions in the funds and the group's operations. An overwhelming majority of the Funds' U.S. and European investors approved the deal. "I am delighted that the substantial majority of the LPs were supportive of this transaction and that the current management team will continue to oversee the Estate's investment," said Jack McCarthy, Jr., a managing director with Alvarez & Marsal who is

heading LBHI's principal investing and private equity asset team. The professional services firm of Alvarez & Marsal is overseeing the Lehman Brothers Estate and working to preserve and maximize value for creditors. Alan Quasha, principal of Quadrant Management and Vanterra Capital, who played a key role in leading the transaction for Reinet and who will serve on Trilantic's Investment Committee noted: "The former Lehman Brothers franchise and closely knit management team provide a strong platform with significant uncommitted capital at a time of great investment opportunities in the private equity middle market." Lazard acted as financial advisor to the Estate in the sale process. The transaction was announced in January and received Limited Partner consent in March.

### **About Trilantic Capital Partners (formerly Lehman Brothers Merchant Banking)**

Trilantic Capital Partners manages funds that seek significant long-term capital appreciation through direct investments in established operating companies in partnership with management. The funds invest in companies with sound business fundamentals, proven operating teams and a compelling business strategy. Since 1986, Trilantic has raised and managed four institutional funds and several employee investment vehicles, with total committed capital in excess of \$8.0 billion. To date, Fund IV has made investments of approximately \$800 million in aggregate. Further commitments by limited partners to invest in Fund IV currently amount to \$1.7 billion.

### **Media Contacts**

Lehman Brothers Holdings Inc.  
Kimberly Macleod  
kmacleod@lehman.com  
(212) 526-2380

Trilantic Capital Partners  
Linda Due  
Linda.Due@nb.com  
(212) 526-5725

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