

# TETRAGON

January 29, 2010

## **TETRAGON FINANCIAL GROUP LIMITED (“TFG”) ACQUIRES LYON CAPITAL MANAGEMENT**

TFG is pleased to announce the closing of its Lyon Capital Management transaction with Calyon New York Branch and certain of its affiliates (collectively, “Calyon”). Under the transaction, TFG acquired both Lyon Capital Management LLC (“LCM”), to be renamed LCM Asset Management LLC, and certain collateralized loan obligation (“CLO”) securities with an aggregate face amount of \$39 million for a combined purchase price of \$10 million. The transaction also provided that all management fees earned by LCM, and cash flows received by Calyon from the CLOs, from August 16, 2009 through the closing of the transaction, less certain expenses of LCM, accrued for the benefit of TFG.

LCM was established by Calyon, the Corporate and Investment Bank of Credit Agricole Group, as an asset manager in 2001 and currently has approximately \$2.5 billion of loan assets under management across six active CLOs—all of which are in compliance with applicable collateral coverage tests. The entire existing LCM management team will continue in their current roles and will relocate to TFG’s investment manager’s, Polygon Credit Management LP (the “Investment Manager”), office in early February 2010.

“We believe that LCM has a market leading track record in managing CLOs and we are very excited to bring them onto the TFG platform,” said David Wishnow, a principal of the Investment Manager. “LCM is a profitable business and has historically generated a significant pre-tax profit margin. We think the introduction of its high quality and repeatable income stream will diversify TFG’s current income and is a very positive development for TFG. Furthermore, the CLOs fit into TFG’s existing business and represent good value for the company.”

Farboud Tavangar, the existing and continuing manager of LCM, noted: “We also think there are solid growth opportunities for LCM and the business is highly scalable. We can grow the business organically through reinvestment of LCM or TFG cash flows as well as through further acquisitions. TFG will continue to seek to position itself to benefit from consolidation in CLO asset management.”

In connection with the transaction, LCM will enter into a joint venture with an affiliate of the Investment Manager, Polygon Management LP (“Polygon”), pursuant to which Polygon will purchase a 25% equity interest in LCM. Certain Polygon affiliates will also enter into an agreement with LCM to provide operating, infrastructure and administrative services to LCM, including services that have historically been provided to LCM by Calyon.

TFG will continue to explore strategic opportunities in asset management, both within and beyond the leveraged loan market.

About Tetragon:

Tetragon Financial Group Limited (TFG) is a Guernsey closed-ended investment company traded on Euronext Amsterdam by NYSE Euronext under the ticker symbol “TFG.”

Tetragon Financial Group Limited (TFG) currently invests primarily through long-term funding vehicles such as collateralized loan obligations in selected securitized asset classes and aims to provide stable returns to investors across various interest rate and credit cycles.

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