

For immediate release

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## Synova Capital invests in affordable luxury handbags

Synova Capital is pleased to announce its investment in The Lunan Group business (“TLG” or the “Group” or the “Business”), owner of the affordable luxury handbag and accessories brands, **Fiorelli** and **Modalu**. Synova Capital’s investment will allow the Group to capitalise on its growth in international markets while maintaining its leading position in the UK.

TLG acquired Fiorelli in 1995 and subsequently developed it into one of the UK’s biggest-selling handbag brands, with an estimated 13% share of the UK branded handbag market. Sold in more than 500 independent retail outlets and leading department stores throughout the UK, the brand is now witnessing strong growth in demand from Europe and the emerging markets for its high fashion affordable product range.

Modalu, which was founded by TLG in 2004 as a designer of high quality contemporary leather handbags and accessories, has successfully grown market share in the UK and internationally over the past four years and continues to expand rapidly.

Co-founder of TLG, Stuart Lunan, will remain with the Group as CEO. Stuart has invited Leo Gestetner to join the Group as Executive Chairman. Leo is Co-founder of Brands etc, which has a stable of successful brands including Myla, Zoggs and PureLime. They will be joined by Marlies Spiekman who will serve as Group CFO, bringing with her a wealth of experience in the luxury brands field including four years as the Finance Director of LVMH’s UK leather business.

Stuart Lunan, CEO of TLG commented: *“International orders for Fiorelli and Modalu are on target to achieve 400% year on year growth. Synova Capital’s decision to invest in the Business together with the appointments of Leo and Marlies gives the Group the management expertise and the financial resources to realise our international growth strategy while maintaining our strong performance to date in the UK.”*

Commenting on today’s announcement Philip Shapiro, a Managing Partner of Synova Capital added: *“We are excited to be making the first investment of our new fund into a business which is the leader in its market, has a first rate management team and extremely exciting growth prospects. We are confident that the combination of our growth capital injection and Stuart Lunan’s strategy will deliver continued success for Fiorelli and Modalu both in the UK and internationally.”*

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### Notes to Editors:

1. Synova Capital invests in UK lower mid-market growth opportunities with a particular focus on companies valued at between £10m and £50m. Key verticals include business and support services, financial services, consumer and leisure and healthcare.
2. Synova Capital was founded in 2007 by Poju Zabłudowicz, Philip Shapiro and David Menton. In May 2008, Paul Myners joined as Investment Committee Chairman.
3. Further information is available from [www.synova-capital.com/portfolio/tlg-brands](http://www.synova-capital.com/portfolio/tlg-brands).
4. Details of the Fiorelli and Modalu collections are available from [www.fiorelli.com](http://www.fiorelli.com) and [www.modalu.com](http://www.modalu.com).
5. Cavendish Corporate Finance advised on the transaction.

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