

ACQUISITION OF A PORTFOLIO OF POLISH NON PERFORMING LOANS

Patron Capital with its Partner, Reform Capital Acquires a Portfolio of Polish Non performing Loans from Deutsche Bank

Patron Capital Partners, a European fund (“Patron”) which invests in property and related businesses, together with Reform Capital (“Reform”), a company specializing in the Central European distressed debt market, have acquired from Deutsche Bank PBSA a portfolio of 310 non performing. The aggregate principal balance of this portfolio was around 75 million polish zloty. Simultaneously Patron and Reform entered into arrangements with Deutsche Bank PBSA for the administration and work out of around 50 non performing loans with an aggregate principal balance of around 50 million zloty.

Jens Otte, head of Credit Risk at Deutsche in Krakow, said “non performing loans are an inevitable part of banking business. However they absorb significant resources including capital, people and management time; they also can impair important financial ratios. Financially this was a positive transaction and strategically it was an important transaction for the bank”.

Jens Otte added “Patron and Reform have enormous experience in administering and working out non performing loans in a professional and responsible way.”

Keith Breslauer, Managing Director of Patron Capital Limited, investment advisor to Patron said “.We are pleased to have worked with Deutsche Bank PBSA and Reform on this transaction. This acquisition complements our significant experience in the acquisition and work out of non performing loans throughout Europe and the United States.”

Martin Drazsky, Managing Director of Reform commented “Patron’s broad expertise in this sector combined with their strong capital base make them the natural partner for banks wishing to recognize value from their non performing loans and enhance their financial ratios”.

Patron and Reform have entered into a long term relationship to pursue non performing loan acquisition and management opportunities in Central Europe. Patron, with in excess of 400 million EUR of equity and the ability to acquire in excess of 2 billion EUR in assets, has substantial resources allocated to this area.

Patron Capital Limited acts as investment advisor to Patron Capital Partners with focus on opportunistic investments in Western and Central Europe. Patron Capital’s interests include investments in property related businesses, operating companies and portfolios of properties in the U.K., Spain, Italy, Switzerland and the Czech Republic. Recent investments include the Hotel Arts and related properties in Barcelona and Simon Storage, the largest independent bulk liquid storage company, with seven ports, in the United Kingdom.

Reform Capital Limited s.r.o. is a private investment and advisory company specializing in distressed debt investments and financial restructuring situations in Central Europe. The founders of Reform Capital are former investment bankers with extensive experience in financial restructuring, mergers and acquisitions and capital raising. In the present transaction, Reform Capital and its affiliates have acted as principal investor and introducing agent for a group of private investors and as advisor to Patron Capital.

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