

**SIMON STORAGE SECURES £98 MILLION FUNDING FOR
GROWTH**

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In one of the biggest deals seen in the South this year, Bank of Scotland Corporate Banking and The Royal Bank of Scotland have co-underwritten £61 million of senior debt finance and working capital as part of a £98 million expansion funding package provided to Simon Storage Ltd.

Owners Patron Capital L.P.I (“Patron”) and an affiliate of Fortress Investment Group LLC (“Fortress”) have provided additional equity. £10 million of mezzanine debt funding has been arranged by Investec Structured Finance and provided by Investec Bank (UK) Limited.

Simon Storage Ltd (SSL), based in Redhill, Surrey, is the leading UK independent supplier and multi-site operator of bulk liquid and gas storage and handling facilities in the UK and Ireland providing a comprehensive service to the international chemical, oil and edible industries. Acquired for £88 million (less bank and intercompany indebtedness) in January 2003 by Patron, a European private equity property fund, SSL is now positioned to take advantage of growth opportunities.

The company owns and operates seven deep-water terminals with a total storage capacity of approximately 1,000,000 cubic metres, including over 500 tanks. Sites include: Humber (Immingham East and West), Teesside (Seal Sands and Riverside (Billingham)), Tyne, Cumbria and Shannon in Ireland.

These storage facilities are complemented by a specialist facilities management operation providing services to third parties in the aviation, energy and marine industries under the name of Simon Management, and a wholly-owned road tanker/tank container company, Lewis Tankers, operating in the UK and continental Europe for a range of international oil and chemical organisations. SSL also offers a range of Project Engineering, Automation and Training services to the oil and chemical industries.

SSL has approximately 300 customers including virtually all the major oil and chemical groups, its services are frequently directly integrated at the production/distribution interface. The company benefits from a number of long term contracts to provide specialised facilities for its clients.

Roger Hartless, Chief Executive of Simon Storage Ltd said “We are delighted to have secured these facilities which allow us to address with our partners in Patron and Fortress a number of identified growth opportunities.”

Arthur Sherry, Director of Structured Finance South of England, Bank of Scotland said “We were impressed with SSL’s many long-standing customer relationships, and excellent environmental safety record. Working in partnership with the Royal Bank of Scotland on this occasion we have structured an appropriately flexible growth finance package which prepares the ground for the company’s expansion”

Ian Bamber, Regional Director, Corporate Banking, The Royal Bank of Scotland, South West and South Wales, said: “Patron Capital is an investment group which RBS has financed on a number of previous transactions. The established nature of the business, quality of the management team and growth prospects of the business were key issues in determining our desire to finance this transaction.”

Lyndon Miles of Investec Structured Finance said “SSL’s track record, current market position and future prospects are all indicative of a company that is clearly at the forefront of the UK fuel and chemicals storage industry. Investec will remain involved with SSL, Patron and Fortress and its future funding requirements”.

Notes to Editors

About Bank of Scotland

Bank of Scotland Corporate Banking is a part of HBOS plc and has a reputation for excellence in the provision of corporate finance, delivering innovative funding solutions across a range of markets. Bank of Scotland provides funding to more Management Buy-Outs than any other bank in both the UK and Europe and is now recognised as the top arranger for PFI/PPP deals. With experience across many areas of corporate finance, including specialist teams covering Joint Ventures, Integrated Finance, Structured Property Finance, Infrastructure Finance and Housing Finance, Bank of Scotland can draw on an expert pool of professionals with proven track records. Corporate Banking employs over 1,400 employees across 34 locations worldwide. Total lending at the end of 2002 stood at £44.1 billion

About The Royal Bank of Scotland

Corporate Banking is part of Corporate Banking and Financial Markets (CBFM), which is the corporate banking, treasury and capital markets business of The Royal Bank of Scotland Group. CBFM offers a fully integrated Corporate, Institutional and Financial Markets capability to RBS and NatWest customers – from traditional banking to treasury and capital markets products and specialist lending services such as leveraged finance, structured finance, securitisation, bonds and syndicated loans.

About Patron Capital Limited / Patron Capital L.P.I

The primary focus of Patron is to invest in property, property-related companies or companies with significant property assets throughout Europe. The strategy of Patron is to support existing management teams and provide additional capital as required to help grow and develop the business. To date Patron has invested in properties and companies with assets over €2 billion. Patron pursued Simon for over three years culminating in their acquisition of SSL from Simon Group plc in January 2003.

About Investec Bank

Investec Structured Finance (UK) are amongst the leading providers in the UK in our role as an international structured finance arranger, advisor and principal investor. Our experienced team has a strong technical and market knowledge, covering all disciplines. This enables us to provide a comprehensive service to structure and deliver financial solutions that are tailored to meet each client's specific requirements. Investec Group is an international specialist banking group providing a diverse range of financial products and services to a niche client base. Investec employs approximately 4,800 employees in offices in 11 countries around the world. Investec Bank is listed on the London and Johannesburg Stock Exchanges.

About Fortress

Fortress Investment Group LLC is a global alternative investment and asset management firm with over \$4.7 billion in equity capital currently under management. Fortress was founded in 1998 by a group of senior professionals led by Wesley R. Edens, who have worked together in various capacities over the last 16 years. Today, the other principals of Fortress include Peter L. Briger, Jr., Robert I. Kauffman, Randal A. Nardone and Michael E. Novogratz. Fortress is headquartered in New York, with offices in London, Rome, Frankfurt and Geneva. Fortress employs approximately 145 people worldwide.

For further information please contact:

Laura Dunn, Bank of Scotland

Tel 0131 243 7128

Mobile 07919 113 193

Emergency 24-hour pager for media: 07669 004510

Internet website for media <http://www.HBOSplc.com/media/media.asp>

Daniel Gray, Regional Media Manager

The Royal Bank of Scotland

Tel 0117 975 2675