

# PATRON CAPITAL LIMITED

19 December, 2002

## PATRON CAPITAL L.P. I AGREES TO ACQUIRE SIMON STORAGE

Patron Capital Limited ("PCL") in its capacity as investment adviser to Patron Capital L.P. I ("Patron") is pleased to announce that Patron has reached agreement to acquire 100 per cent control of the largest UK independent multi-site bulk liquid and gas storage operator via a two step transaction:

- The acquisition for £63.85 million of the share capital of Simon Storage Limited ("Simon Storage") less bank and intercompany indebtedness, from Simon Group Holdings Limited; and conditional on the completion of that transaction
- The acquisition for approximately £24.15 million of Vopak Holding Logistics UK Limited's ("Vopak") 49.99 per cent interest in Chemicals Oil and Storage Management Limited ("COSM"), a joint venture company currently owned by Simon Storage and Vopak.

The total consideration for such shares of COSM and Simon Storage payable by Patron is approximately £88 million less bank and intercompany indebtedness. The total funding requirement (i.e. £88 million, plus a further £9 million in additional investment associated with the transaction and the company) will be provided by Patron and a financing facility from Bear, Stearns International Limited. Patron's financial, structuring, legal and accounting advisers were Commerzbank Securities, Bear, Stearns International Limited, TaylorWessing and Ernst & Young respectively.

The acquisition of Simon Storage is conditional, amongst other things, upon the approval by Simon Group plc's shareholders at an Extraordinary General Meeting anticipated to be held in January 2003. The cash consideration will be adjusted to the extent that there has been a movement in the consolidated net assets of Simon Storage and its subsidiaries during the period from 31 August 2002 to completion. Completion is expected to take place within three days of Simon Group plc's Extraordinary General Meeting.

Simon Storage 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. The Company operates seven deep-water terminals with a total storage capacity of approximately 1,000,000 cubic metres, including over 500 tanks. The terminals are involved in the receipt, export and transfer of a wide range of liquid and gaseous products via sea, road, rail and pipeline. Through its wider Bulk Liquid and Gas Network activities, Simon Storage also provides specialist facilities management services to third parties in the aviation, energy and marine industries under the name of Simon Management. All services are supported by extensive in-house expertise in operations, project engineering, automation systems and training. Both terminal and facilities management operations are complemented by 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.

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Authorised by the FSA

Simon Storage wholly owns two terminals located within the Teesside chemical/oil complexes, at Seal Sands and at Riverside (Billingham). Five further terminals, including two on the Humber Estuary, are operated by COSM. The Immingham terminals constitute the largest and most comprehensive independent facilities in the UK, and are closely integrated both with international oil and chemicals flows and manufacturing plants in the region.

In the year ended 31 December 2001, Simon Storage and its subsidiaries generated consolidated turnover and consolidated profits after taxation and minority interests of £46.0 million and £4.5 million, respectively, and as at 31 December 2001 had net assets, after deducting minority interests, of £42.0 million.

In the six months ended 30 June 2002, Simon Storage and its subsidiaries generated consolidated turnover and consolidated profits after taxation and minority interests of £23.2 million and £1.9 million, respectively, and as at 30 June 2002 had net assets, after deducting minority interests, of £43.9 million.

Commenting on the transaction Keith Breslauer, Managing Director of PCL said

*“We are delighted Patron has reached agreement with both Simon Group plc and Vopak in the acquisition of Simon Storage Ltd. It is a fine and well-established business with a strong management team, high quality facilities and services, and an excellent reputation with its wide customer base. All at Patron are looking forward to working with Managing Director, Roger Hartless, and all of his colleagues and believe that there is strong future growth potential for the Company.”*

#### Enquiries

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This announcement is made by PCL, which is regulated in the United Kingdom by the Financial Services Authority.

Commerzbank Securities which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Patron and no-one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Patron for providing the protections afforded to clients of Commerzbank Securities or for giving advice in relation to the matter set out in this announcement or any transaction referred to herein.

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Notes to Editors

**PATRON CAPITAL LIMITED / PATRON CAPITAL L.P. I**

- Patron Capital Limited was established in 1999. Its founder Keith Breslauer was formerly at Lehman Brothers and head of that firm's Principal Finance business. PCL's partners include Tad Shay, a real estate veteran with over 20 years of experience, and Kendall Langford as General Counsel with over 10 years in the legal profession.
- PCL acts as adviser to its fund, Patron Capital L.P. I ("Patron"). Patron's investors include leading US and European institutions, pension and endowment funds and high net worth family offices.
- The primary focus of Patron is to invest in property, property-related companies or companies with significant property assets throughout Western Europe. The strategy of Patron is to support existing management teams and provide extra capital as required to help grow and develop the business. To date, Patron has invested in properties and companies with assets over €2 billion.
- Since its inception, Patron has made various investments in the UK and Europe and PCL has won:
  - the British Venture Capital Association for the Private Equity Deal of the Year in 2002 for Patron's joint acquisition of igroup with Royal Bank Private Equity, and
  - the Hotel Deal of the Year in 2002 for the joint acquisition with Deutsche Bank of the Hotel Arts Complex in Barcelona, Spain.
- Keith Breslauer and PCL have frequently been in the news with their various transactions, with the latest interview provided to Private Equity International, October 9<sup>th</sup> Edition.

For more information, please see our web site at [www.patroncapital.com](http://www.patroncapital.com).