

**Real
Estate
Opportunities****Talbot Hughes McKillop advises property group Real Estate Opportunities plc on its successful £1 billion financial restructuring**

Talbot Hughes McKillop (THM) is pleased to announce that Real Estate Opportunities plc (REO, together with its subsidiaries the Group) has successfully completed its financial restructuring. This follows meetings of Ordinary Shareholders, the holders of its 7.5% Convertible Unsecured Loan Stock (CULS) and Zero Dividend Preference Shares (ZDPS) held on 5 May 2011 approved the restructuring. A THM team lead by Julian Gething has been working with REO in Ireland and the UK since April 2010.

REO is a listed property company which owns a significant portfolio of properties in Ireland and the UK. The Group's investment and development portfolio includes land, properties and developments in all of the major sectors of the property market.

The collapse of the Irish and European property markets following the onset of the economic downturn in 2008 adversely affected the Group's asset values, impacting the Group's ability to finance future developments and repay its existing liabilities. As at 31 August 2010, REO's portfolio was valued at circa £1 billion, but with total indebtedness of over £1.7 billion had net liabilities of circa £750 million.

The Group's prime asset in the UK is Battersea Power Station (BPS). Wandsworth Borough Council resolved to grant new planning permission to BPS on 11 November 2010 that will allow the site to be developed on a commercially viable basis. The planning permission includes a proposal for an extension to the Northern Line Underground which will service the Nine Elms corridor and the proposed new US Embassy. The financial restructuring is the critical first step to enable BPS to raise development funding as a stand alone entity.

Key features of the restructuring transaction include:

- The demerger of BPS and approximately £465 million of related loans into a new "clean" structure (BPSSV), including an extension to the maturity date.
- The equitisation of approximately £250 million of CULS and ZDPS obligations into equity in both BPSSV and REO. At the same time, approximately £210 million of intercompany obligations were equitised, in exchange for equity in BPSSV.
- The release of and / or provision of forbearance from certain guarantees provided by REO to support other Group indebtedness.

THM has provided a dedicated team since April 2010, working alongside management in Ireland and the UK and has assisted REO by:

- Providing financial advice as regards the restructuring strategy and stakeholder negotiations.
- Designing the restructuring framework and financial proposal for negotiation with the stakeholders.
- Performing detailed financial modelling to support the economic basis for the restructuring proposal.
- Leading negotiations with REO's key creditors (including the Irish National Asset Management Agency set up to hold Ireland's property lending) and the majority shareholder to agree the final terms of the restructuring. This included the establishment of an ad hoc committee of holders of the publicly traded debt instruments.
- Providing overall project management in conjunction with the Group's legal advisers to ensure that the restructuring could be implemented in a complex multijurisdictional Group structure.

The THM team comprised of Julian Gething, Michael Vivian and Fraser Brown. Throughout the project, the team worked closely with REO's legal advisers, led by Nigel Stacey of Ashurst in London and Dan Richards of Ogier in Jersey.

Please contact Julian Gething at THM for more information on this transaction.

About Talbot Hughes McKillop

THM provides hands-on, senior level leadership to restructuring situations. We focus on working for companies in stressed and distressed situations to identify and deliver robust solutions that preserve stakeholder value. The THM approach is to deploy small dedicated teams in complex restructurings, bringing independence, trust and objectivity to negotiations with the stakeholders. Our role may be either advisory or involve THM individuals assuming a management or Board position, as appropriate.

Talbot Hughes McKillop LLP is authorised and regulated by the Financial Services Authority.
Registered in England No: OC340120. Registered Office: 6 Snow Hill, London EC1A 2AY

Contact Us

Julian Gething
jgething@thmpartners.com
+44 (0) 20 3012 1109

Matt Hinds
mhinds@thmpartners.com
+44 (0) 20 3012 1126

Paul Horn
phorn@thmpartners.com
+44 (0) 20 3012 1127

Chris Hughes
chughes@thmpartners.com
+44 (0) 20 3012 1128

Michael Leahy
mleahy@thmpartners.com
+44 (0) 20 3012 1134

Murdoch McKillop
mmckillop@thmpartners.com
+44 (0) 20 3012 1137

Dean Merritt
dmerritt@thmpartners.com
+44 (0) 20 3012 1138

Peter Morgan
pmorgan@thmpartners.com
+44 (0) 20 3012 1139

Anthony Place
aplace@thmpartners.com
+44 (0) 20 3012 1143

Neil Robson
nrobson@thmpartners.com
+44 (0) 20 3012 1146

David Rowe
drowe@thmpartners.com
+44 (0) 20 3012 1147

John Talbot
italbot@thmpartners.com
+44 (0) 20 3012 1148

Edward Wildblood
ewildblood@thmpartners.com
+44 (0) 20 3012 1154

6 Snow Hill
London
EC1A 2AY
Tel: +44 (0) 20 3012 1100
Fax: +44 (0) 20 3012 1103
info@thmpartners.com
www.thmpartners.com

Our Services**Our Team****Our Credentials**