

14 January 2013

VENN FINANCE LAUNCHED WITH FORMER SENIOR CITIGROUP REAL ESTATE BANKER PAUL HOUSE

Will deploy an initial £500m in the Euro 2 trillion European commercial real estate debt market

Venn Partners, a specialist credit advisory and investment partnership, is pleased to announce the arrival of its new partner Paul House, formerly head of EMEA Real Estate at Citigroup, to launch Venn Finance, a new commercial real estate finance business.

Venn Finance has been established to provide senior and selected mezzanine funding for the European commercial real estate market, targeting £500m of lending in 2013. In addition to direct lending from its own balance sheet, Venn Finance will provide a loan management platform and act as an aligned investment partner to support institutional investors in participating in the new credit opportunities emerging in the market.

The latest research suggests that the European commercial property market's gross debt funding gap has doubled to over £120 billion due to the fact that a 'wall' of loans is due to mature over the next three to five years and needs re-financing whilst at the same time banks continue to reduce lending. Currently, around 90% of outstanding commercial real estate loans in Europe are estimated to be funded by banks – and therefore as banks de-leverage and impose tighter lending standards then this creates opportunities for other investors to lend into strong/performing parts of the market. The existence and scale of the opportunity is highlighted by comparisons with the US, where only 55% of outstanding commercial real estate loans are estimated to be funded by banks.

Venn Finance proposes to deploy its capital and its origination, arranging and commercial real estate loan management expertise to lend into these opportunities, and to create an access point for institutional investors to participate alongside it. Venn Finance will initially target the UK and Germany, which represent the largest and strongest commercial property markets in Europe.

Initial capital and equity funding for Venn Finance is provided by the Siem Industries Group, one of the world's leading diversified industrial holding companies, which has interests in a number of sectors, including oil service, shipping as well as various other industrial and financial activities. As a partner in Venn Partners, Siem continues to support the firm's efforts to capitalise on new credit opportunities arising as a result of the continued restructuring of banking markets.

The financing business in commercial real estate complements and builds out the core strengths of Venn Partners, which combines credit, markets and financial institutions expertise with proprietary analytical tools to create new credit investment opportunities and solutions. Venn Finance will be supported by Venn Partners' experienced structuring team and its proprietary credit analytics and risk framework (VeRA), which is currently used to manage risk on over EUR 3bn of asset backed securities and commercial-mortgage backed securities.

Paul House joins Venn from Citigroup, where he led Citi's real estate franchise. Paul has over 12 years' experience in the European banking sector and an extensive transactional background in the origination, structuring and sales of over £10 billion of commercial real estate debt and assets in both private and public capital markets. Prior to his European experience, Paul spent over five years in the North American real estate markets with Citicorp Real Estate in New York and Canada.

Venn Finance is a subsidiary of Venn Partners. All of the Venn group's regulated activities are conducted by Venn Partners, which is regulated and authorized by the FSA.

Paul House, Founding Partner of Venn Finance, commented:



"I am delighted to be joining Venn Partners to lead our efforts to offer a competitive source of debt capital to our clients, in one of the most compelling investment opportunities in the European credit markets. The combination of a supportive shareholder in Siem, a best in class credit analytics and structuring team at Venn Partners and the market opportunity create a powerful combination that will facilitate my efforts to build a leading real estate financing franchise."

Jonathan Clayton, Managing Partner of Venn Partners, commented:

"We are delighted Paul is joining Venn to lead the roll out of Venn Finance, and establish a strong debt offering which addresses the clear credit dislocation within the commercial lending markets. The systemic changes caused by bank de-levering and retrenchment provides an unparalleled opportunity for us to support our clients by offering funding solutions to borrowers and by acting as an aligned partner to a broad investor base. Paul is one of the finest real estate finance professionals in Europe with excellent track record in completing some of the largest and most sophisticated property transactions over the past decade and we are delighted to have him lead such a relevant and exciting business."

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Notes to Editors:

Siem Industries

Siem Industries Inc is a diversified industrial holding company with main interests in four industrial areas; the oil and gas services industry (Subsea 7 Inc., Siem Offshore Inc. and Veripos Inc), shipping (Siem Shipping Inc and Siem Car Carriers Inc), industry through Siem Capital AB, Deusa International GmbH and GLT Resources Ltd.as well as various other industrial and financial investments. The Company was formed in 1980 and traces its history back to the 19th century.