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**LMA Launches New Guidelines for MLAs and Recommendations on the
Syndication Timeline**

The LMA launched today new guidelines for Mandated Lead Arrangers (MLAs) to set out an agreed framework for processes between parties to a transaction. The guidelines concentrate specifically on addressing the relationships between arranger/s, book runner/s, underwriter/s and other lenders and set out a recommended method of managing the various events and scenarios arising in the Syndication process. Amongst others, they cover the decisions on the closing of syndication and allocation, declaring the transaction free to trade and the exercise of flex, along with the issue of front running.

Stephen Swift, Deputy Global Head, Leveraged and Media Telecom Finance, SG CIB, who chaired one of the working parties involved, said "The LMA felt that producing basic guidelines for arranging banks would be an important aid for the market. While these guidelines will not be prescriptive, and arrangements will have to be established on a deal-by-deal basis, they are designed to provide an appropriate background for the discussions. They are effectively a list of issues, all of which should be considered at the outset of arranging a syndicated deal".

The contents of these decisions within the documentation are summarised in two Syndication Decision Charts illustrating a successful syndication and an unsuccessful syndication. The guidelines in the Decision Charts and in the related documents acknowledge that there are many possible variations, which will need to be incorporated on a deal-by-deal basis. The documents provide a basic framework, which should allow flexibility in individual circumstances. The process described in the guidelines needs to be part of the normal consultation process conducted with the client/sponsor.

The LMA recommends that market participants agree these issues at the outset and that this agreement is formalised in a Syndication Strategy document.

In addition, the LMA has produced a Syndication Closing Timeline, which sets out the various stages of the Syndication process, including the timing of the transaction being 'free to trade' and the date from which delayed funding compensation is due.

Fiona Hagdrup, Director, Leveraged Finance, M&G Investments, commented "This initiative establishes a procedure for compensation for investors for any delay in primary settlement - just like the one so successfully established by the LMA in the secondary loan market. In return, investors commit to giving fuller settlement details at a suitably early point. The aim is to make the whole process more predictable, more streamlined and more efficient."

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Loan Market Association

The Loan Market Association was founded in December 1996 by seven leading international banks in London. Its aim was to encourage liquidity and efficiency in both the primary and secondary loan markets by promoting market depth and transparency, as well as by developing standard forms of documentation and codes of market practice. Banks, law firms and other market practitioners/participants are welcome to apply to join the LMA, and the membership currently stands at 403.

The Association was established in anticipation of changing market conditions and of a perceived willingness on the part of the banking community to bring greater clarity, efficiency and liquidity to the relatively under-developed secondary market.

The initiative was clearly well timed, as there was sustained growth in secondary loan activity in the Euromarkets over the following ten years. Unsurprisingly, this trend reversed in 2008, when volumes for the year went down to EUR 80 billion from EUR 173 billion in 2007.

The LMA has gained recognition in the market and has expanded its activities to include all aspects of the primary and secondary syndicated loan markets. It sees its overall mission as acting as the authoritative voice of the syndicated loan market in Europe vis à vis banks, borrowers, regulators and other affected parties.

For more information, please visit www.lma.eu.com.