

**For release on 25 November, 2009**

**LMA produces revised form of Intercreditor Agreement following discussions with Mezzanine lenders**

The LMA has produced a revised edition of its Intercreditor Agreement and accompanying User Guide, which take into consideration a number of issues raised during discussions with a group of mezzanine investors. A number of alternative options have been provided for, either in the form of optional drafting in the Agreement, or notes in the Agreement or User Guide, reflecting areas which are likely to be the subject of negotiation between the relevant creditor groups on a case by case basis.

Discussions with a representative group of mezzanine investors took place over the summer and early autumn, and were the result of the LMA wishing to actively engage with this particular creditor group in a constructive and collaborative way.

Lemy Gresh at Mezzvest, who was involved in the process, said, "We have found the LMA very interested to promote sound market practice for all constituents of the market. I believe that this new document is better balanced. In addition it will simplify the documentation process going forward."

Clare Dawson, LMA Managing Director, said, "The discussions with the mezzanine investors have been an interesting and constructive development, and we look forward to the continuing involvement of this group of investors in the LMA in future."

**END**

**For further information, please contact:**

**Loan Market Association**

Clare Dawson, Managing Director

020 7006 6007

[clare.dawson@lma.eu.com](mailto:clare.dawson@lma.eu.com)

**Penrose Financial**

Andrew Nicolls/John Sarsfield

020 7786 4881/ 66

[andrewn/johns@penrose.co.uk](mailto:andrewn/johns@penrose.co.uk)

**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.

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](http://www.lma.eu.com).