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Press release

CAPITAL PARK SA SECURES MADISON INTERNATIONAL REALTY AS NEW CONTROLLING INVESTOR

Madison International Realty LLC (“Madison”), a global real estate investor, has signed a preliminary agreement for the acquisition of a controlling, 65,99% stake in Capital Park SA (“Capital Park” or the “Company”) from Patron Capital Partners (“Patron”), the pan-European institutional investor focused on property-backed investments.

This transaction provides Madison, which last year entered the Warsaw market with the acquisition of a 50% interest in the iconic Waraw Spire office tower, with a significant and strong local platform from which to expand its Polish investment. It also gives Madison exposure to Capital Park’s existing diversified portfolio of high quality assets in Poland comprising c. 304,000 sqm of lettable area with a value of c. PLN2.5bn, of which 77% is in Warsaw. Madison is undertaking this acquisition on behalf of [the Madison International Real Estate Liquidity Fund VI].

The transaction also provides Capital Park, which is currently progressing the full redevelopment of the two hectare former Norblin factory in Warsaw into a flagship mixed used complex, with a new equity partner to further strengthen its position as one of Poland’s leading publicly listed property companies.

Completion of the final sale agreement for the acquisition is subject to a number of conditions precedent, including receiving the consent of the President of the Office of Competition and Consumer Protection. By entering into the final sale agreement Madison International Realty LLC will indirectly purchase 65,99% of shares in the Capital Park Group. After completion of the transaction Patron Capital Partners will retain a minority stake in the Group with the remaining shares held by management, leading pension funds, investment funds and retail investors.



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Capital Park has operated in the Polish real estate market since 2003 and has become one of the leading development and investment companies with extensive real estate experience. In 2004 the Company started its successful cooperation with Patron Capital Partners, which has continued for 14 years. Capital Park has traded on the Warsaw Stock Exchange since 13 December 2013.

Jan Motz, the Founder and President of the Capital Park Group said: *“Working with Patron Capital Partners started a new chapter for our company, providing us with the strategic understanding and support that has allowed us to build a prime real estate portfolio of modern class A office and retail assets. This includes the Eurocentrum Office Complex and Royal Wilanów, with the repositioning of the former Norblin factory, our largest and most prestigious investment project to date, well underway. We are happy to have gained the new partner that appreciates strength of our team and quality of our projects. We are sure that having such experienced equity partner as Madison we will further strengthen our position, and open new opportunities for the continued growth of value of the Group”.*

“Capital Park marks our second acquisition in Poland, where we see great potential. Poland has a strong economy, offering solid market fundamentals and a robust premium compared to other core European markets,” said Derek Jacobson, Madison International Realty Co-Chief Investment officer.

“This transaction fits well with our distinct strategy of investing selectively in listed property companies with strong sourcing opportunities in growth markets and superior management teams. We are very pleased to be working with Capital Park, which has a quality portfolio of prime assets,” added Matthias Cordier, Madison Managing Director.

Keith Breslauer, Founder and Managing Director of Patron Capital Partners, said: *“We are very proud of the incredible growth that has been achieved by Capital Park during our 14 years of partnership, and with our remaining interest we look forward to our continued participation in its growth as it works alongside Madison International Realty. Capital Park is a highly entrepreneurial group that has changed the landscape of retail and office in Poland, starting from the acquisition and redevelopment of the Neptun Film portfolio and carrying on to the successful completion of the Eurocentrum and Royal Wilanow developments in Warsaw. While our primary focus is on delivering value to our investors through opportunistic investments in the*



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UK and Western Europe, we continue to see opportunities for value in the CEE and will consider such deals accordingly.”

EY Real Estate Corporate Finance advised Capital Park and Patron Capital on the transaction. Madison International Realty was represented by Greenberg Traurig, KPMG and GGR Group.

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About Madison International Realty

Madison International Realty (www.madisonint.com) is a leading liquidity provider to real estate investors worldwide. Madison provides equity capital for real estate owners and investors seeking to monetize embedded equity, to replace capital partners seeking an exit and to recapitalize balance sheets. The firm provides equity for recapitalizations, partner buyouts and capital infusions; and acquires joint venture, limited partner and co-investment interests as principals. Madison invests only in secondary transactions and focuses solely on existing properties and portfolios in the U.S., U.K., and Western Europe. Madison has offices in New York, London and Frankfurt, Germany, where the firm operates under the name of Madison Real Estate Beteiligungsgesellschaft mbH.

Capital Park is a recognised investment company with extensive real estate experience on the Polish market and an almost five years' presence on the Warsaw Stock Exchange. The Group has built a prime quality real estate portfolio consisting of modernclass A office and retail assets, including mainly Eurocentrum Office Complex and Royal Wilanów, and is currently developing a flagship revitalisation project –Former Norblin Factory in central Warsaw. The Group manages a portfolio of properties with a total area of 304,000 m2 and a market value of PLN



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2.5bn, of which 77% are properties located in Warsaw, the most promising commercial real estate market in Central and Eastern Europe.



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