



For Immediate Release

**SANKATY ADVISORS, LLC AND STARWOOD CAPITAL GROUP
ACQUIRE €800 MILLION SPANISH LOAN PORTFOLIO**

LONDON – October 24, 2014 – Sankaty Advisors, LLC, the independently managed credit affiliate of Bain Capital, and Starwood Capital Group, a leading global private investment firm, announced today that they have acquired, through a controlled affiliate, a portfolio of secured and unsecured loans from BFA-Bankia Group.

The portfolio—which has a par value of €800 million—is made up of two distinct types of loans: one part is secured against hotel collateral in Spain, with a concentration in resort locations; the other is a pool of syndicated and bilateral loans secured against Spanish small-and-medium enterprises, with a mix of collateral including real estate. This is the largest portfolio of such loans to be sold in Spain and is the first of its kind to comprise both hotel and corporate loans.

The Starwood Capital Group and Sankaty teams working together across both portfolios provide a powerful partnership for buying and managing these unique assets.

“We are delighted to be making this portfolio investment in Spain and to further enhance our track record of investing in corporates, operating businesses and real estate in Europe,” said Alon Avner, a Managing Director and Head of Sankaty’s European business, which bought €2.2 billion in loan portfolios from European banks over the last three years. “We view this as one of the most attractive loan portfolios on Bankia’s book, and we are pleased to leverage our scale, flexibility and expertise to support and provide liquidity to these companies operating in challenging market conditions.”

“We are excited about the opportunity to purchase a loan portfolio that includes a significant number of high-quality hotel properties as underlying collateral,” said Peter Denton, Senior Vice President at Starwood Capital Group, which has acquired more than \$55 billion of real estate assets globally since its inception in 1991, including 2,300 hotels and resorts. “We believe that our deep hospitality expertise and talented asset management team will allow us to help maximize the value of these assets for the joint venture, while also capitalizing upon strong local markets in Spain such as the Canary Islands that have exhibited high growth and consistently robust tourism.”

Copernicus, a Spanish financial services company, assisted Sankaty and Starwood Capital Group in transaction due diligence. Copernicus will also act as the Spanish servicer for the portfolio post-acquisition with Hatfield Philips International providing servicer interaction support. J&A Garrigues acted as legal advisor for Sankaty and Starwood Capital Group. Other valuation, financial and tax advisers included Hatfield Philips International, CBRE, Aura REE, Hellenic Lloyd’s, KPMG and PwC.

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About Sankaty Advisors, LLC

Sankaty Advisors is the independently-managed credit affiliate of Bain Capital, LLC and one of the world's leading private managers of fixed income and credit instruments. Founded in 1998 and now managing more than \$24 billion of assets, Sankaty has an integrated team of more than 200 people that enables the firm to invest up and down the capital structure and to conduct rigorous, independent analysis of thousands of corporate issuers. Sankaty invests in a wide variety of securities and investments globally, including leveraged loans, high-yield bonds, distressed and stressed debt, mezzanine debt, structured products, real estate and equities. An employee-owned private partnership, the firm has offices in Boston, New York, Chicago, London, Luxembourg, Dublin, Hong Kong and Melbourne. Sankaty Advisors, LLC is registered with the Securities and Exchange Commission and Sankaty Advisors, Ltd., is authorised and regulated by the Financial Conduct Authority. For more information, please visit www.sankaty.com.

Sankaty's European team, consisting of more than 30 professionals based in London, has a successful 12-year track record of investing in European leveraged loans, high yield bonds and mezzanine capital, and currently manages investments in approximately 100 companies.

About Starwood Capital Group

Starwood Capital Group is a private investment firm with a core focus on global real estate. Headquartered in Greenwich, CT, the Firm maintains 12 offices in six countries around the world. Starwood Capital Group has raised nearly \$28 billion of equity capital since its inception in 1991, and currently manages \$37 billion in assets. The Firm has invested in virtually every class of real estate on a global basis, opportunistically shifting geographies and changing positions in the capital stack as risk-reward dynamics evolve. For more than two decades, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises around real estate portfolios in both the private and public markets. Additional information can be found at starwoodcapital.com.

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