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Final draft

## **News Release**

The Co-operative Bank and Finance Wales are providing multi-million pound funding to Cardiff Marine Group to further develop its business and to deliver a fully integrated marine business in Cardiff Bay.

The South Wales Corporate Banking Centre of The Co-operative Bank in Cardiff has been appointed by Cardiff Marine Group Ltd to refinance the businesses of Cardiff Marina on the International Sports Village and Cardiff Marine Village on Penarth Road.

They will also provide full banking facilities for the marine services and dry stack storage business.

Finance Wales, which makes commercial equity and debt investments in small and medium-sized businesses, provided follow-on funding alongside the Co-operative Bank.

Accountants and business advisors PKF structured the transaction and brought all parties together.

Cardiff Marina connects with the facilities on Cardiff's International Sports Village and forms part of a rapidly developing public open space.

It integrates with the Pont y Werin footbridge and hosts a water bus stop that will run to Mermaid Quay and the city centre. It's designed to provide safe, secure and sheltered moorings and offers a prestige environment for Cardiff Bay's fast growing boating community.

Cardiff Marine Village is the product of significant investment by Cardiff Marine Group and is the redevelopment of a run-down site on the Penarth Road. It brings together 13 market leading businesses and offers a comprehensive service, storage and supply centre for 'all things marine'. The property directly supports more than 50 jobs; it is the largest such centre in the region and includes the first dry stack storage system in Wales.

The refinancing of the 350-berth marina and of the marine business park will allow its directors Christopher Odling-Smee and Drew McDonald to continue the ongoing development of the business.

It will provide them with the opportunity to expand their fast growing team of dedicated and professional marine engineers. It will also allow them to develop their Volvo Penta centre that serves marine leisure, marine commercial and industrial customers throughout Wales.

Mr Odling-Smee and Mr McDonald are also owners of the development company Bayscape Ltd, a sister company of Cardiff Marine Group.

Bayscape Ltd is a special purpose vehicle established for the development of a mixed use, hotel-led scheme that overlooks Cardiff Marina on the International Sports Village in Cardiff Bay.

The business and Wyndham Hotel Group recently announced the signing of a 25-year hotel management agreement for 'Wyndham Cardiff', a £60m hotel to be constructed on the waterfront of Cardiff Bay.

Andrew Hannah, senior business development manager at The Co-operative Bank in Cardiff, said: "We're delighted to be involved in the exciting redevelopment of Cardiff Bay and to be working with the excellent management team at Cardiff Marine Group.

"This is a progressive transaction for The Co-operative Bank and has been achieved after working closely with the management, their accountants PKF and Finance Wales – it truly is a team effort."

Drew McDonald said: "From the outset The Co-operative Bank and Finance Wales demonstrated a thorough understanding of our business model and its inherent strengths. The business includes property, a service business and a trading company which involved the creation of a number of specific financial solutions which were readily appreciated by the Bank."

Christopher Odling-Smee added: "The completion of The Co-operative Bank and Finance Wales deal marks an important milestone in our expansion programme and provides the business with a conservative and low gearing facility. This leaves the business in an extremely strong position to invest and expand in its future."

David Perez, portfolio investment executive at Finance Wales, said: "Finance Wales has invested a number of rounds in Cardiff Marine Group since 2007 and we're pleased to invest in this round alongside the Co-operative Bank. Cardiff Marine has a strong management team and this latest investment round will help the company achieve its exciting expansion. The launch of our £150 million fund means Finance Wales can invest larger amounts in growth businesses and we continue to work with banks and other co-investors to invest in businesses like Cardiff Marine Group"

Laura Shaw, director at accountants & business advisers PKF, said: "At a time when bank funding has been difficult to obtain, it's great to have been able to achieve the re-banking of Cardiff Marine Group, and I am sure that this new relationship with The Co-operative Bank will allow them to go from strength to strength. The whole transaction has been a success due to all parties working together throughout."

**Ends.**

**Notes to editors:**

**About The Co-operative Bank corporate banking:**

Corporate and Markets (of which the corporate banking operation forms part) 2009 profits increased on a like-for-like basis from a loss of £4.4m to a profit of £113.2m. Corporate and Markets income rose year-on-year reflecting growth in the corporate book and a strong performance in the other operating segments.

During 2009 Corporate and Markets focused on a balanced approach to lending and deposit growth across the division. Customer lending increased by £0.5bn to £17.8bn and customer deposits rose by £0.7bn to £3.2bn. This growth was principally achieved within the corporate business.

The corporate banking operation now operates from 20 Corporate Banking Centres nationwide. This increased access to local support has helped to keep customer satisfaction strong.

### **About Finance Wales:**

Finance Wales was established as a subsidiary company of the Welsh Assembly Government in 2001 to provide commercial investment for SMEs.

To date it has invested over £150 million through more than 2,300 investments. It has also leveraged an additional £350 million in private-sector investment.

In 2008-09 Finance Wales invested £26 million, increased investment levels by 25% (compared to 2007-08) and completed 200 investments, including 97 syndicated investments.

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