Carpathian plc

6th July 2009

PRESS ANNOUNCEMENT

ANGLO IRISH RESTRUCTURING

Further to the update given within the Company's preliminary results announcement on 1 May 2009, and the announcement on 2 July 2009 regarding the successful €235 million debt restructuring with Hypo Real Estate, Carpathian plc (AIM: CPT) announces that it has signed documentation for a further debt restructuring in relation to all of its facilities with Anglo Irish Bank ('Anglo Irish').

The arrangements involve Anglo Irish forbearing from exercising its rights under the three debt facilities for Silver Estate, Marise and Ironbark (the SPVs holding the Interfruct, Marina Mokotow and Ericsson assets) (together the 'Anglo Irish Secured Assets'), all of which will be cross-guaranteed and cross-secured. The forbearance arrangements will expire on 31 December 2009 (the 'Expiry Date').

Carpathian has agreed to provide a total of €3.0 million of funding to the Anglo Irish Secured Assets, of which €1.5 million will be provided as a mezzanine debt facility (the 'Carpathian Mezzanine Debt Facility') and a further €1.5 million will be provided as a subordinated debt facility (the 'Carpathian Subordinated Debt Facility') to the relevant SPV borrowers. Anglo Irish has agreed to defer a portion of the cash interest due from the Interfruct SPV group until the Expiry Date, at which point any deferred interest will need to be paid.

Following agreement on the terms of this debt restructuring, the surplus proceeds from the disposal of the Varyada Shopping Centre announced on 24 December 2008, which are jointly held with Anglo Irish pending agreement on debt restructuring become available. As a result, the remaining funds in excess of the €3.0 million to be provided to the SPVs, held from the disposal of Varyada Shopping Centre, totalling in excess of €7.5 million after costs, are to be released for use by the Company on completion, which is currently expected by the end of July 2009.

As part of the arrangements, Anglo Irish has the option to acquire all equity in Silver Estate, Marise and Ironbark post the Expiry Date for a nominal sum. The acquisition of equity will not affect the Carpathian Mezzanine Debt Facility, but will invalidate the Carpathian Subordinated Debt Facility.

Commenting on the restructuring, Rory Macnamara, Chairman of Carpathian PLC, said:

“This transaction again demonstrates Carpathian's ability to find solutions with its key lenders to restructure its debt portfolio. As part of this restructuring, Carpathian has been able to increase its free cash reserves by releasing moneys previously held in escrow and therefore further enhancing the stability of the Company. Carpathian will continue to review its debt positions very closely in the current market and focus on further stabilising its capital base over the medium term in line with the outcome of the Strategic Review completed earlier in the year.'

'We are making good progress with our remaining debt restructuring negotiations and look forward to updating the market further in due course."

Enquiries:

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Notes to Editors:

– Carpathian was created in 2005 for the purpose of investing in Central and Eastern European commercial real estate
– Carpathian's primary focus is on shopping centres, supermarkets and retail warehousing in several countries in Central and Eastern Europe being currently Croatia, the Czech Republic, Hungary, Poland, Romania, Lithuania and Latvia
– Carpathian listed on AIM in July 2005.
– Carpathian Asset Management Limited ("CAM") is the Property Investment Adviser to Carpathian. It is responsible for identifying acquisition targets, managing transactions and portfolios and development activity within Central and Eastern Europe. The Company holds a 50 per cent. interest in CAM, the remaining 50 per cent. is held by UK Real Estate Management Limited (a company wholly owned by Paul Rogers and Massimo Marcovecchio)