



PRESS RELEASE

CATALYST CAPITAL AND BLACKSTONE ANNOUNCE SECOND JOINT UK PURCHASE

8th December 2011 - Blackstone (NYSE: BX) and Catalyst Capital LLP have today announced completion of the 50/50 joint venture purchase of the Houndshill Shopping Centre in Blackpool from Modus Corovest (Blackpool) Ltd in administration for £85m, reflecting a net yield of 7.4%, on behalf of their respective managed funds. The purchase has been financed with a senior loan facility of £55.25 million from pbb Deutsche Pfandbriefbank.

The 300,000 sqft Blackpool scheme was sold by KPMG, administrator to Modus Corovest (Blackpool) Limited, the vehicle set up by Manchester-based retail developer Modus to redevelop Houndshill.

Houndshill is Blackpool's principal shopping centre with its profile significantly raised following a substantial £40 million extension and refurbishment programme undertaken and completed in 2008. The centre is anchored by strong high-street brands including Debenhams, Primark, H&M and Next.

Catalyst and Blackstone also jointly own the 320,000 sqft Stratford Centre along with 44 Broadway and Morgan House development site in East London. Both the Stratford Centre and the Houndshill Shopping Centre purchases are in-line with Catalyst's and Blackstone's joint strategy to create a UK shopping centre platform.

Ilan Goldman from Catalyst Capital, said: "This acquisition represents a solid retail purchase made in an extremely difficult investment market and we are looking forward to putting our plans for the Houndshill shopping centre into motion."

James Lock, from Blackstone's Real Estate team, noted: "Blackpool is the most popular seaside resort in the UK and is currently undergoing a regeneration, with significant investment in the beachfront promenade, the Winter Gardens and the Blackpool Tower, which has already had a positive effect on visitor numbers to the town. The scheme is ideally placed to benefit from this and to satisfy the latent retailer demand for the town. Blackstone is already an investor in Blackpool through our investment in Hilton hotels and Merlin Entertainments, the manager of the Blackpool Tower, so this is a natural fit for us."

Harin Thaker, Head of Real Estate Finance International at pbb Deutsche Pfandbriefbank said: "We are delighted to be providing core senior debt financing in line with our business strategy to this joint venture between Catalyst Capital and Blackstone. The transaction demonstrates our continued presence in the market."

Mark Firmin, joint administrator and KPMG's Northern Head of Restructuring said: "Following a rigorous marketing process, we have identified appropriate buyers for Houndshill."

"As Blackstone and Catalyst Capital LLP currently own a number of shopping centres and have significant experience in the market, they are in a strong position to help Houndshill capitalise on the growing number of visitors to the recently regenerated area."

Savills, Centros and Eversheds advised KPMG. Lunson Mitchenall and Clifford Chance acted for the JV.

- Ends -



Note to Editors

About Catalyst Capital LLP

Headquartered in London with European offices in Paris, Frankfurt and Warsaw, entities associated with Catalyst Capital purchases, builds and manages a significant portfolio of retail, office and industrial real estate, based upon opportunistic or value-added strategies in Europe. Catalyst Capital is privately owned by its management and is a direct owner-operator of commercial property through its managed funds.

In its 15-year history it has acquired, in partnership with institutional and private investors, a commercial real estate portfolio, comprising both individual assets and portfolios, totalling over €4.1 billion, improved during Catalyst's ownership then resold. Catalyst Capital focuses its European real estate activities in the UK, France, Belgium, Germany and Poland.

Outside Europe, Catalyst co-manages the Catalyst Samsara India Opportunity Fund, with Samsara Capital in Mumbai. www.catalystcapital.com

About Blackstone

Blackstone (NYSE: BX) is one of the world's leading investment and advisory firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. The firm accomplishes this through the commitment of its people and flexible capital. Blackstone's alternative asset management businesses include the management of private equity funds, real estate funds, hedge fund solutions, credit-oriented funds and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services.

Since 1991, Blackstone has been active in the real estate sector, having completed over 260 transactions with \$19.3 billion of equity capital. As of June 30, 2011, Blackstone has raised nine separate opportunistic real estate funds with over \$34 billion of discretionary equity capital, of which \$6.6 billion has been raised for the European-focused funds. In July 2009, Blackstone closed its third fund dedicated to real estate investments in Europe, called BREP Europe III, with equity capital commitments of \$4.8 billion. BREP also invests through the global BREP funds and following the successful deployment of BREP VI with equity capital commitments of \$10.9 billion in August 2011, Blackstone is now deploying BREP VII. Blackstone is currently in the process of raising BREP VII, a global opportunistic fund, with a target fund size of \$10 billion. Further information is available at www.blackstone.com

About pbb Deutsche Pfandbriefbank

pbb Deutsche Pfandbriefbank is a leading European specialist bank for real estate finance and public investment finance. The main funding instrument is the German Pfandbrief, of which the Bank is one of the largest issuers in the market. pbb Deutsche Pfandbriefbank is active in markets in Germany and other European countries. www.pfandbriefbank.com.

Media Contact Catalyst Capital

Deborah Tuck +44 (0)20 7290 5100 dtuck@catalystcapital.com

Media Contact at Blackstone

Helen Winning +44 (0)20 7451 4344 winning@blackstone.com

Media Contact pbb Deutsche Pfandbriefbank

Walter Allwicher, +49 89 2880-28787, walter.allwicher@pfandbriefbank.com

Oliver Gruß, +49 89 2880-28781, oliver.gruss@pfandbriefbank.com