



## Blackstone to Buy U.S. Logistics Assets from Colony Capital for \$5.9 Billion

September 30, 2019

*Acquisition will continue to expand Blackstone's strategic presence in U.S. e-commerce logistics*

*Exit marks a significant step for Colony as it implements plan to focus on digital real estate and infrastructure*

LOS ANGELES & NEW YORK & DALLAS--(BUSINESS WIRE)--Sep. 30, 2019-- Colony Capital, Inc. (NYSE: CLNY) ("Colony Capital," or the "Company") and Blackstone Real Estate Partners IX, an affiliate of Blackstone (NYSE: BX), announced today that they have entered into definitive agreements for Blackstone to acquire Colony Industrial, the industrial real estate assets and affiliated industrial operating platform of Colony Capital, for an aggregate purchase price of \$5.9 billion.

The Colony Industrial last-mile light industrial portfolio represents the substantial majority of the total transaction and comprises approximately 60 million square feet of infill, logistics assets across 465 light industrial buildings in 26 U.S. markets, with significant concentration in Dallas, Atlanta, Florida, northern New Jersey, and California. The transaction also includes Colony's 51% ownership interest in a 4 million square foot portfolio of bulk distribution assets and the affiliated operating platform which manages the properties of both portfolios. The aggregate net sales proceeds to Colony are expected to be in excess of \$1.2 billion.

This transaction comprises one of the highest quality portfolios of last-mile logistics assets in the U.S. Colony Industrial was formed in December 2014 through Colony Capital's acquisition of Cobalt Capital Partners, founded and led by Lewis D. Friedland. Since then, the portfolio has doubled in size and produced strong and consistent operating results.

Darren Tangen, President of Colony Capital, stated, "We appreciate Blackstone has recognized the value that we've created at Colony Industrial and they are the ideal steward to lead this business during the next phase of its growth. Lew Friedland and the Colony Industrial team have executed flawlessly, achieving and even surpassing the goals of our original investment thesis five years ago. This sale allows Colony to both achieve compelling returns for our investors and generate significant liquidity, which among other uses, will help accelerate our ongoing transition into digital real estate and infrastructure."

Nadeem Meghji, Head of Real Estate Americas at Blackstone, stated, "This acquisition of high quality warehouses demonstrates our continued strong conviction in logistics and positive e-commerce trends. As retailers continue to shorten delivery times and expand their last mile footprints, we believe warehouses in dense population centers will continue to experience outsized demand growth."

Lew Friedland, Managing Director, Head of Colony Industrial, commented, "Last-mile logistics real estate continues to become an increasingly critical component of the global supply chain. We are pleased to have generated strong returns for our investors implementing this strategy and the portfolio and platform are extremely well-positioned for the positive market environment and continued growing demand for last-mile logistics space."

Each of the agreements is subject to customary closing conditions, including third party consent for the sale of the 51% interest in the bulk industrial portfolio, and is expected to close in the fourth quarter of 2019.

Willkie Farr & Gallagher served as legal counsel, and Morgan Stanley and Eastdil Secured served as financial advisors, and CBRE National Partners served as real estate advisor to Colony Capital. Simpson Thacher & Bartlett served as legal counsel to Blackstone.

### **About Colony Industrial**

Headquartered in Dallas, TX, Colony Industrial is the industrial platform of Colony Capital, Inc. Its portfolio comprises approximately 60 million square feet of owned, developed and under contract logistics warehouse properties in 26 markets across the United States. The portfolio's diversified tenant base includes major national B2B, B2C, wholesale and consumer businesses. For more information, visit [www.clny.com/industrial](http://www.clny.com/industrial).

### **About Colony Capital**

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment management firm with assets under management of \$55 billion, which includes approximately \$14 billion of assets under management from Digital Bridge, a leading global investment manager of digital infrastructure assets including cell towers, small cells, fiber and data centers. The Company manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, and traded and non-traded real estate investment trusts. The Company has significant holdings in: (a) the healthcare, industrial and hospitality property sectors; (b) Colony Credit Real Estate, Inc. (NYSE: CLNC) and NorthStar Realty Europe Corp. (NYSE: NRE), which are both externally managed by subsidiaries of the Company; and (c) various other equity and debt investments. The Company is headquartered in Los Angeles with key offices in Boca Raton, New York, Paris and London, and has over 450 employees across 21 locations in 13 countries as a result of the business combination with Digital Bridge. For additional information regarding the Company and its management and business, please refer to [www.clny.com](http://www.clny.com).

### **About Blackstone Real Estate**

Blackstone is a global leader in real estate investing. Blackstone's real estate business was founded in 1991 and has \$154 billion of investor capital under management. Blackstone is one of the largest property owners in the world, owning and operating assets across every major geography and sector, including logistics, multifamily and single family housing, office, hospitality and retail. Our opportunistic funds seek to acquire undermanaged, well-located assets across the world. Blackstone's Core+ strategy invests in substantially stabilized real estate globally through regional open-ended funds focused on high-quality assets, and Blackstone Real Estate Income Trust, Inc. (BREIT), a non-listed REIT that invests in U.S. income-generating assets. Blackstone Real Estate also operates one of the leading global real estate debt businesses, providing comprehensive financing solutions across the capital structure and risk spectrum, including management of Blackstone Mortgage Trust (NYSE: BXMT).

## Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, whether the Company will complete the sale of the industrial platform within the timeframe anticipated or at all, including the Company’s ability to obtain any necessary consents for the bulk transaction, the Company’s strategic plans, and portfolio mix, and other risks and uncertainties detailed in the Company’s filings with the U.S. Securities and Exchange Commission (“SEC”). All forward-looking statements reflect the Company’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony Capital’s reports filed from time to time with the SEC.

Colony Capital cautions investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this press release. Colony Capital is under no duty to update any of these forward-looking statements after the date of this press release, nor to conform prior statements to actual results or revised expectations, and Colony Capital does not intend to do so.

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Source: Colony Capital, Inc.

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