

**Company Registration No. 6277558**

**BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

**Report and Financial Statements**

**For the year ended 31 December 2008**



# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **DIRECTORS**

Stephen A. Schwarzman  
Chad R. Pike

#### **SECRETARY**

Laurence A. Tosi (Appointed October 8, 2008)

#### **REGISTERED OFFICE**

40 Berkeley Square  
London  
W1J 5AL  
United Kingdom

#### **SOLICITORS**

Simpson Thatcher & Bartlett  
City Point  
One Ropemaker St  
London  
EC2Y 9HU

#### **AUDITORS**

Deloitte LLP  
London  
United Kingdom

# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the financial statements of Blackstone Real Estate Partners Holdings Limited ("the Company") for the year ended 31 December 2008

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The Company's principal activity is that of a holding company. The results and the financial position of the Company at the year-end are satisfactory.

### **SMALL COMPANY EXEMPTIONS**

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

### **RESULTS AND DIVIDENDS**

The Company's profit on ordinary activities after taxation is \$nil (2007: \$nil). As explained in note 10, the Company has restated the 2007 comparative figures as it has adopted a different accounting policy for investments which better reflects the activity of the Company. The Directors do not recommend the payment of a dividend in respect of the year (2007: \$nil). The amount transferred to reserves in respect of the year is \$nil (2007: \$nil).

### **DIRECTORS**

The membership of the Board throughout the year and to 31 December 2008 is set out below:

Stephen A. Schwarzman  
Chad R. Pike

### **AUDITORS**

Each person who is a director at the date of the approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 2) the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section S234ZA of the Companies Act 1985.

Deloitte LLP have been re-appointed as the Company's auditors for the forthcoming year.

Approved by the Board of Directors and signed on behalf of the Board:



Chad R. Pike  
Director

24 February 2010

# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

We have audited the financial statements of Blackstone Real Estate Partners Holdings Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte LLP**

Chartered Accountants and Registered Auditors

London, United Kingdom

24 February 2010

# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

No profit or loss is presented within these financial statements because the Company has not received income or incurred expenditure during the current year or prior period under review

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	Restated \$
Profit for the financial year	-	-
<b>Total recognised gains and losses relating to the year</b>	<b>-</b>	<b>-</b>
<b>Prior year adjustment (as explained in note 10)</b>	<b>3,596</b>	
<b>Total gains and losses recognised since last annual report and financial statements</b>	<b>3,596</b>	

**BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED****BALANCE SHEET AT 31 DECEMBER 2008**

	Notes	2008 \$	2007 (Restated) \$
<b>FIXED ASSETS</b>			
Investments in subsidiaries	4	44,002	44,002
<b>CURRENT ASSETS</b>			
Debtors	5	318,251	-
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	6	(362,251)	(44,000)
<b>NET CURRENT LIABILITIES</b>		(44,000)	(44,000)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Profit and loss account	8	-	-
<b>SHAREHOLDERS' FUNDS</b>		<u>2</u>	<u>2</u>

The financial statements of Blackstone Real Estate Holdings Limited, registered number 6277558 were approved by the Board of Directors and authorised for issue on 24 February 2010 and signed on its behalf by



Chad R Pike  
Director



# **BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED**

## **NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2008**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

The particular accounting policies adopted are described below and have been applied consistently throughout the current year and preceding period, as restated

#### **Going concern**

The company's principal activity is set out in the Directors' report. The directors consider the principal risk to be financial risk and believe that the company has sufficient procedures in place to manage its risks successfully. The company made neither a profit nor a loss for the year ended 31 December 2008 (2007: \$nil), and as of that date, it had net current liabilities of \$44,000 (2007: net current liabilities of \$44,000). The company has access to sufficient cash and financial resources from group undertakings, and is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Consolidation**

The directors have chosen not to prepare group accounts in accordance with the exemptions for small and medium sized groups under Section 248 of the Companies Act 1985.

#### **Preparation of the financial statements in US dollars**

It is considered that a fairer reflection of the Company's activities is given by presenting the financial statements in US dollars, since the US dollar is the main currency of the Company's primary economic environment.

#### **Investments**

Investments in subsidiaries are stated at cost less provision for impairment.

#### **Foreign currencies**

All monetary assets and liabilities denominated in currencies other than US dollars are translated into US dollars at the rate ruling at the balance sheet date.

Transactions in currencies other than US dollars are recorded at monthly average rates of exchange at the end of each calendar month. Translation differences are dealt with through the profit and loss account.

#### **Cash flow statement**

The Company has taken advantage of the exemption available under Financial Reporting Standard 1, "Cash Flow Statements" paragraph 5 (f) and therefore, has not prepared a cash flow statement.

### **2. AUDIT FEES**

The audit fee of \$27,786 (2007: \$ nil) has been borne by an affiliate of the Company, The Blackstone Group International Limited in the current year and prior period.

### **3. INFORMATION REGARDING THE DIRECTORS AND EMPLOYEES**

The Company has no employees (2007: none). The Directors were not remunerated for their services to this Company in the current year or prior period.

# BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2008

### 4 INVESTMENTS IN SUBSIDIARIES

The Company has investments in the following subsidiary undertakings

Subsidiary Undertakings	Country of incorporation	Principal activity	Holding	% held
Blackstone Real Estate Partners Limited	United Kingdom	Purpose of holding investments in Limited Partnerships	£1	100
Blackstone Real Estate Europe Limited	United Kingdom	Formed as a General Partner which acts for one or more Limited Partners	£1	100

	2008 \$	2007 (Restated) \$
<b>Cost</b>		
As at beginning of year / period	44,002	-
Additions (see below)	-	44,002
At end of year / period	44,002	44,002
<b>Net Book Value</b>	<b>44,002</b>	<b>44,002</b>

On 15 June 2007, the Company acquired the ordinary share capital of £1 in Blackstone Real Estate Partners limited for a consideration of \$44,000

On 11 October 2007, the Company acquired one thousand shares of £1 in Blackstone Real Estate Europe Limited for a consideration of £1 (\$2)

### 5. DEBTORS

	2008 \$	2007 \$
<b>Debtors:</b>		
Amounts in escrow account	318,251	-
	<b>318,251</b>	<b>-</b>

# BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2008

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 \$	2007 (Restated) \$
<b>Creditors:</b>		
Amounts due to group undertakings (see note 9)	362,251	44,000
	<u>362,251</u>	<u>44,000</u>

### 7 CALLED UP SHARE CAPITAL

	2008 £	2007 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

  

	2008 \$	2007 \$
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	2	2
	<u>2</u>	<u>2</u>

### 8. RESERVES

	Share Capital \$	Capital Contributions \$	Profit & Loss account \$	Total \$
At 31 December 2007 (as previously stated)	2	28,455	(3,596)	24,861
Prior year adjustment	-	(28,455)	3,596	(24,859)
At 1 January 2008 as restated	2	-	-	2
Profit for financial year	-	-	-	-
At 31 December 2008	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>

### 9. RELATED PARTIES

The amounts due to group undertakings of \$362,251 relates to amounts payable to The Blackstone Group International Limited which relates to funding provided to the Company to make investments (2007 \$44,000 restated)

# BLACKSTONE REAL ESTATE PARTNERS HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2008

### 10 PRIOR PERIOD ADJUSTMENT

As at 31 December 2007, the Company had recorded its investments and recognised the resultant value adjustments based on the net asset value of the subsidiaries it owned at the year end. As set out in the Directors Report, the Company's principal activity is that of a holding company and the 2007 comparative figures have been restated as the directors consider that accounting for its investments at cost provides a fairer presentation of the results and financial position of the Company.

The acquisition of Blackstone Real Estate Partners Limited as described in note 4, was funded through an intercompany account due to The Blackstone Group International Limited. This was recorded as a capital contribution in the shareholders' funds rather than as an amount due to group undertakings. This has now been reclassified out of capital contributions and in to amounts due to group undertakings. In addition to this, the acquisition of Blackstone Real Estate Europe Limited of \$2 was not recorded so this has increased the value of fixed assets and increased the intercompany account due to The Blackstone Group International Limited as the acquisition was also funded by that company.

The comparative figures in the primary statements and notes have been restated to reflect the new policy.

The effects of the change in policy are summarised below:

	2007 \$
<b>Profit and loss account</b>	
Revaluation of investment	3,596
<b>Increase in profit for the financial year</b>	<u>3,596</u>
<b>Balance sheet</b>	
Fixed assets investments	19,143
Debtors	(2)
Creditors	(44,000)
<b>Decrease in total assets less current liabilities</b>	<u>(24,859)</u>
Profit and loss account	3,596
Capital contributions	(28,455)
<b>Decrease in shareholders' funds</b>	<u>(24,859)</u>

The adoption of the revised accounting policy for investments has affected the 2008 results as follows: the value of Fixed Assets has not increased from \$24,859 (as previously stated in 2007) to \$26,478, with a corresponding increase in reserves and unrealised revaluation gains in the statement of total recognised gains and losses of \$1,619.

### 11. ULTIMATE PARENT UNDERTAKING

As at the 31<sup>st</sup> December 2008, the company's immediate parent undertaking was Blackstone Group International Cayman Limited, a company incorporated in the Cayman Islands, and its ultimate parent and controlling company is The Blackstone Group L P, a company incorporated in Delaware, United States of America. The largest and smallest group in which the results of the Company are consolidated is that headed by The Blackstone Group L P. Copies of the group financial statements are available from 345 Park Avenue, New York, NY 10514, United States of America.