BLACKSTONE REAL ESTATE UK LIMITED

(Reg No. 07611925)

For the Year Ended 31 December 2012

Report and Audited Financial Statements

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Blackstone Real Estate UK Limited
Registration No 07611925

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Blackstone Real Estate UK Limited
Registration No 07611925

Company information

DIRECTORS

Geoffrey Bailhache	(Appointed 30 June 2012)
Vijay Bharadia	
Robert Friedman	(Resigned 30 June 2012)
Farhad Karim	(Appointed 23 January 2012)
Michael Pegler	
Chad Pike	(Resigned 23 January 2012)
Stephen Schwarzman	(Resigned 22 June 2012)
Peter Stoll	

SECRETARY

TMF Corporate Administration Services Limited (Appointed 21 April 2012)
5th Floor, 6 St Andrew Street
London
EC4A 3AE
United Kingdom

AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ
United Kingdom

SOLICITORS

Simpson Thacher & Bartlett LLP
City Point
One Ropemaker Street
London
EC2Y 9HU
United Kingdom

REGISTERED OFFICE

40 Berkeley Square
London
W1J 5AL
United Kingdom

Blackstone Real Estate UK Limited
Registration No 07611925

Directors' report
for the year ended 31 December 2012

The directors present their report and audited financial statements for Blackstone Real Estate UK Limited (the Company) for the year ended 31 December 2012 The comparatives are for the period from incorporation on 21 April 2011 to 31 December 2011

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company was incorporated in the United Kingdom on 21 April 2011 for the purpose of holding investments in limited partnerships and acts as a managing member of Blackstone (FM) Real Estate LLP The results and the financial position of the Company at the year-end are satisfactory

SMALL COMPANIES EXEMPTION

The directors report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption This is in accordance with Part 15 of the Companies Act 2006 The Company has taken advantage of the exemption from the requirement to disclose an enhanced business review on the grounds that it is a small company

RESULTS AND DIVIDENDS

No profit and loss account is presented with these financial statements because the Company has not received income or incurred expenditure during the current year or prior period Any expenses have been borne by an affiliate of the Company, The Blackstone Group International Partners LLP

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no donations of a political or charitable nature made during the current year or prior period

DIRECTORS

The directors who served through the year, except as noted, were

Geoffrey Bailhache	Appointed 30 June 2012
Vijay Bharadia	
Robert Friedman	Resigned 30 June 2012
Farhad Karim	Appointed 23 January 2012
Michael Pegler	
Chad Pike	Resigned 23 January 2012
Stephen Schwarzman	Resigned 22 June 2012
Peter Stoll	

None of the directors had any disclosable interests in the share and loan capital of the Company during the period

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the period and remain in force at the date of this report

GOING CONCERN

The directors have a reasonable expectation that the Company has access to sufficient cash and financial resources from its parent 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

Directors' report (continued)
for the year ended 31 December 2012

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that

1) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and

2) the directors have taken all steps that ought to have been taken to make them aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

INDEPENDENT AUDITOR

A resolution to reappoint the auditor Deloitte LLP by the directors will be put to the members at the General Meeting The reappointment of the auditor is at the discretion of the directors in accordance with the deed of incorporation

Approved by the Board and signed on its behalf by

Vijay Bharadia

Director

4 September 2013

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the Company s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company s website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Blackstone Real Estate UK Limited
Registration No 07611925

Independent auditor's report to the members of Blackstone Real Estate UK Limited

for the year ended 31 December 2012

We have audited the financial statements of Blackstone Real Estate UK Limited for the year ended 31 December 2012 which comprise the Balance Sheet and the related notes 1 to 9 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor s 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 auditor

As explained more fully in the Directors Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board s Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company s affairs as at 31 December 2012,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of Blackstone Real Estate UK Limited (continued)

for the year ended 31 December 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors report

Calum Thomson FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

4 Sept 2013

Blackstone Real Estate UK Limited
Registration No 07611925

Balance sheet
as at 31 December 2012

	Notes	*31 December 2012* $	*31 December 2011* $
Current assets			
Debtors	4	2	2
Total assets		**2**	**2**
Capital and reserves			
Called up share capital	5	2	2
Shareholders' funds		**2**	**2**

The notes on pages 8 to 10 form part of these financial statements

Approved and authorised for issue by the Directors on 4 September 2013

Vijay Bharadia
Director

Notes to the financial statements

for the year ended 31 December 2012

1 ACCOUNTING POLICIES

A summary of the principal accounting policies applied consistently throughout the year is set out below

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice The particular accounting policies that have been adopted and applied consistently during the current year and prior period are described below

No profit and loss account is presented with these financial statements because the Company has not received income or incurred expenditure during the current year or prior period Any expenses have been borne by an affiliate of the Company, The Blackstone Group International Partners LLP

a) Convention

These accounts are prepared in accordance with the historical cost convention

b) 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, and has access to sufficient cash and financial resources from its parent 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

c) Foreign currencies

The financial statements are presented in US dollars, which is the functional currency of the Company Transactions denominated in currencies other than the US dollar are translated at the rate of exchange ruling at the date of transaction All monetary assets and liabilities are translated into US dollars at the rate ruling at the balance sheet date Non-monetary assets and liabilities are translated into US dollars at the rate of exchange ruling at the date of transaction All realised and unrealised exchange gains and losses are recognised in the profit and loss account

d) Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are not discounted

e) Cash flow statement

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

f) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held at call with banks

Notes to the financial statements (continued)
for the year ended 31 December 2012

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were not remunerated for their services to the Company during the current year and prior period There were no staff employed during the current year or prior period

3 OPERATING PROFIT

The audit fees of the Company have been borne by an affiliate of the Company in the current year and prior period The audit fee for the year ended 31 December 2012 was $4,160 (2011 $4,000)

4 DEBTORS

	2012	*2011*
	$	*$*
Amounts due from group undertakings	2	2

5 SHARE CAPITAL

	2012	*2011*
	$	*$*
Allotted, called up and fully paid converted to US$		
1 ordinary share of $1 64 each	2	2

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	*profit and loss*	*Shareholders' funds*
	$	*$*	*$*
As at 01 Januray 2012	2	-	2
Movement in the year	-	-	-
As at 31 December 2012	2	-	2

Notes to the financial statements (continued)
for the year ended 31 December 2012

7 RELATED PARTY TRANSACTIONS

As at 31 December 2012, the Company was owed $2 (2011 $2) from Blackstone Real Estate Associates (Offshore) VI L P

8 ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Blackstone Real Estate Associates (Offshore) VI L P , a Limited Partnership incorporated in Canada The Company s ultimate parent undertaking and controlling party is The Blackstone Group L P , a Limited Partnership incorporated in Delaware, United States of America

The Blackstone Group L P is the smallest and largest group which includes the Company and for which financial statements are prepared

Copies of the group financial statements are available from 345 Park Avenue, New York, NY 10154, United States of America

9 SUBSEQUENT EVENTS

The Company has no subsequent events to report