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Drawbridge Joins Forces with KKR to Recapitalize for Growth

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SAN FRANCISCO & NEW YORK--(BUSINESS WIRE)-- Drawbridge Realty ("Drawbridge" or the "Company") and KKR, a leading global investment firm, today announced that KKR and the management team have recapitalized Drawbridge's existing portfolio and formed a new independent platform to help grow the business.

This Smart News Release features multimedia. View the full release here: http://www.businesswire.com/news/home/20150619005083/en/

With assets under management of approximately $800 million as of June 1st, 2015, Drawbridge is a real estate investment manager focused on acquiring, developing and managing properties for corporate users with an emphasis on well located, predominately single tenant office, R&D and industrial buildings in markets with secular growth. Drawbridge's existing portfolio includes approximately three million square feet of real estate in and around the San Francisco Bay Area, San Diego, Salt Lake City, Austin, and Raleigh-Durham's Research Triangle Park, and the Company intends to expand the platform nationally.

With the financial backing of KKR and other investors, including The Townsend Group, a leading global provider of investment advisory and investment solutions for real estate, Drawbridge has access to significant equity capital. The structure of Drawbridge's equity base enables the Company to be a long-term owner of assets, which is attractive to corporate tenants seeking continuity with a relationship-focused landlord. Drawbridge is operated independently from KKR and The Townsend Group.

Drawbridge is a sophisticated acquirer of short and long-term leased, single tenant buildings, including corporate sale-leasebacks and build-to-suits, and also of currently vacant buildings that lend themselves to repositioning and leasing to single tenants. Since closing the recapitalization transaction, Drawbridge has continued to grow its asset base through the acquisition of five new properties in San Jose, San Diego, and Raleigh-Durham.

"We are pleased to welcome KKR's investment to the Drawbridge platform," said Mark Whiting, Drawbridge's Co-Founder and CEO. "With the support of KKR, we will work to create value by building an increasingly diversified investment platform."

"With Drawbridge's industry leading, vertically integrated real estate capabilities supplemented by access to KKR's corporate network, we think Drawbridge will be the preferred solutions provider to corporate owners and users of real estate," said Billy Butcher, Co-Head of KKR Real Estate Acquisitions in the Americas, who is also joining the Drawbridge Board of Directors.

"Townsend is excited to partner with Drawbridge in this new platform and targeted growth phase. We believe the platform brings the specialized, integrated market and property expertise that we seek," said Rob Davies, Principal, The Townsend Group.

About Drawbridge Realty

Drawbridge Realty is a San Francisco-based real estate investment and development company that targets commercial property investments in select markets across the United States with a current portfolio comprising approximately three million square feet located predominately in the western U.S. The firm pursues properties suited to corporate tenants, with an emphasis on fully occupied buildings, as well as properties that are ready for new development, redevelopment, or conversions to higher and better uses. The current portfolio is comprised of properties located in the Silicon Valley; San Diego; Austin, Texas; and Salt Lake City, Utah. Drawbridge has completed transactions with major corporations including Broadcom, Google, Johnson & Johnson, L-3 Communications, Lockheed Martin, Medtronic, Monsanto, National Instruments, Northrop Grumman, and Unisys.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world?class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com or on Twitter @KKR_Co.

About The Townsend Group

The Townsend Group is a leading global provider of investment advisory and investment solutions for real estate, infrastructure, timber and agriculture. With a culture based upon service and success measured by investment performance, Townsend's clients include many of the world's leading institutional investors. As of December 31, 2014, Townsend's Regulatory Assets Under Management were approximately $12.5 billion with Advised Assets exceeding $170 billion. Townsend does not provide any such investment advisory services or investment solutions to Drawbridge.

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