

FOR IMMEDIATE RELEASE

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**KTR CAPITAL PARTNERS ACQUIRES 251 INTERNATIONAL PARKWAY IN
BROWARD COUNTY, FL**

New York, NY- May 12, 2006 - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of 251 International Parkway, which is occupied by Perfumania under a long-term lease. KTR purchased the property on behalf of Keystone Industrial Fund. The 178,791 square foot building is a warehouse/distribution facility that sits on 9 acres within Sawgrass International Corporate Park, a 612 acre development located in Western Broward County, Florida

Commenting on the acquisition was P.J. Charlton, a Vice President of KTR, "251 International Parkway fits well within our South Florida portfolio because it is a modern facility strategically located and is leased long term. This building brings our total portfolio in South Florida to just over 700,000 square feet, all acquired in the last year. It is a strong start towards our goal of owning a critical mass of industrial property in the region."

KTR CAPITAL PARTNERS

KTR Capital Partners is a private equity firm based in New York City that was established in November of 2004 to continue the highly successful real estate investment activities of Keystone Property Trust (formerly NYSE:KTR). Since December 1997, the KTR team has completed nearly \$2 billion of acquisitions and development. KTR is a recognized industry leader that has attracted investment capital from leading institutional investors for its first fund - Keystone Industrial Fund, L. P. - a \$500 million fund focused on value-add investments in the industrial real estate sector. The firm has offices in Suburban Philadelphia, Deerfield Beach, FL and Chicago. For further information please visit www.ktrcapital.com