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**KTR CAPITAL PARTNERS OPEN OFFICES IN LOS ANGELES AND CHICAGO**

**New York, NY- May 29, 2008** - KTR Capital Partners (KTR), a real estate private equity fund manager and operating company specializing in the industrial property sector, announced today the expansion of its North American platform with the opening of investment offices in Chicago, IL and Newport Beach, CA.

"We believe strongly that the largest distribution markets in the country - Los Angeles, Chicago, New Jersey and South Florida - are positioned to outperform over both the near and long-term. Having investment infrastructure on the ground in these markets is an important element of our strategy to exploit the advantages of local operating expertise," said Bob Savage, President of KTR. "We are particularly excited that we were able to elevate two very talented and home grown investment professionals to more prominent roles within the firm."

Brian D. Milberg, Senior Vice President, has relocated from KTR's New York headquarters to direct KTR's initiatives in the Chicago area. Mr. Milberg has been instrumental to KTR's success in acquiring and developing over 5 million square feet in the Chicago market since 2005. Mr. Milberg has been with KTR since the firm's formation in 2004, prior to which he was an industrial broker with Colliers Houston & Company in Northern New Jersey. Ryan Stoller, an investment analyst in KTR's New York office is expected to join the Chicago office later in the year.

"Chicago is a critical market for KTR and Brian Milberg has done a tremendous job building relationships and finding off-market investment opportunities in the Chicago market over the past few years despite considerable competition from more established players. We're excited about our ability to penetrate the market further by having Brian in the market full-time," commented John DiCola, Partner in charge of KTR's New York-based investment team.

Brian A. Gagne, Vice President, has relocated from KTR's Suburban Philadelphia office to direct KTR's initiatives in the Greater Los Angeles area. Mr. Gagne has played a very active role in building KTR's presence in South Florida and the Phoenix area since 2005. He also began spearheading KTR's move into the LA region over a year ago, leading to KTR's first investment in the region with the acquisition of Mission 71 Business Park in Pomona, CA in March of 2008. Prior to joining KTR in 2005, Mr. Gagne was a member of the Commercial and Industrial Real Estate Brokerage Group of New Dover Associates in Massachusetts.

KTR is currently seeking locally-based candidates to join the Newport Beach office as an investment analyst.

“As the largest industrial property market in the United States, LA obviously offers enormous opportunity for KTR and is an essential market for us in the long run. Of course, competition for investment opportunities and the resulting impact on pricing makes it a challenging market to penetrate, but we expect to replicate the success we have had as a firm establishing market leadership positions in Chicago, New Jersey and South Florida,” commented Don Chase, Partner in charge of KTR’s Suburban Philadelphia-based investment team. “Brian Gagne has strong deal instincts and has proven in a relatively short period of time to be quite adept at developing relationships and generating deal flow.”

KTR has a 14-member investment team and 50 professionals throughout the organization exclusively focused on the industrial sector throughout major markets in North America.

“Among our first two funds we have approximately \$2 billion of investment capital at our discretion to commit to value-add transactions. If all goes according to our expectations, both Mr. Milberg and Mr. Gagne will play major roles in identifying opportunities in these two key markets,” added Savage.

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#### **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 \$3 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, Chicago, and Newport Beach. For further information please visit [www.ktrcapital.com](http://www.ktrcapital.com).