

## **Homburg Invest expresses concerns regarding partial bid made by Catalyst Capital Group**

**MONTREAL, January 22, 2013** – Homburg Invest Inc. (NYSE Euronext Amsterdam: HII) (“**HII**”) has now reviewed the partial tender offer made on January 16, 2013 by Catalyst Capital Group (“**CCG**”), a Canadian-based investor in distressed and undervalued debt, to purchase one third of each series of its mortgage bonds (series HMB4, HMB5, HMB6 and HMB7) and corporate non asset-backed bonds (series HB8, HB9, HB10 and HB11).

HII believes that CCG’s partial offer is not in the best interests of all bondholders, and views it as potentially disruptive of the current restructuring process. HII’s concerns about CCG’s partial offer include the following:

- The partial offer is only for one third of the bonds in each series and CCG has retained broad discretion to determine whether the conditions of its offer have been met. There can be no assurance that all bondholders who might wish to tender their bonds to the offer will be able to do so. CCG’s intention is not to offer all bondholders of HII a cash exit, but solely to increase its influence over the restructuring process for its own benefit. Unlike HII and the bond trustees, CCG is not required to consider the interests of all creditors (including the bondholders) and CCG has stated clearly that it gives no assurance to bondholders as to the future course of the restructuring process if its tender offer is successful.
- The timing of this offer can only be described as opportunistic since it forces bondholders to decide whether or not to sell their bonds in less than two weeks from now – before they have an opportunity to consider the restructuring plan that HII is currently completing.
- HII’s restructuring plan is being prepared with the assistance of a court-appointed monitor (Deloitte) and in consultation with the bond trustees. This process and the plan that will result from it, which CCG describes as a source of risk for bondholders, are designed to protect the interests of all creditors. The plan will be submitted in the coming weeks to a vote of all creditors and subsequently to the court in accordance with the *Companies’ Creditors Arrangement Act* (Canada). It will position the company that emerges from the restructuring for future success. Upon emergence, the company will be able to seek the additional capital and other financing that CCG suggests it may require if this is determined to be in the best interests of the company, its business and its stakeholders.
- CCG clearly sees value and potential of the restructured HII business, even if its partial offer would preclude bondholders who tender to it from benefiting from their share of this value and potential growth.

HII is grateful for the confidence and support of the bondholders during the restructuring process and will continue to focus all of its energy and resources on filing and presenting a restructuring plan that is the most advantageous plan available to HII and all bondholders.

## **About Homburg Invest**

Homburg Invest owns a diversified portfolio of commercial real estate including office, retail, industrial and development properties throughout Canada, Europe and the United States.

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