

September 2, 2015



# **The PMI Group Announces Strategic Investment by Blackstone**

## **Blackstone Acquires a Significant Equity Stake in PMI and Concurrently Agrees to Provide a Working Capital Facility to the Company in Exchange for Warrants and Certain Other Rights**

NEW YORK--(BUSINESS WIRE)-- The PMI Group (OTC: PMIR) ("PMI" or the "Company") today announced that funds affiliated with Blackstone Tactical Opportunities ("Blackstone") have made a strategic investment in the Company.

In connection with the purchase of a significant equity stake in PMI, Blackstone has agreed to provide the Company with a loan for working capital needs in exchange for warrants and certain other rights. The Company intends to use the funds to pursue its investment strategy, which may include raising additional capital. Among other rights, Blackstone will have the right to participate in future equity offerings by the Company and is expected to nominate a director to the Board.

Timothy Graham, President and Chairman of the Board of Directors of the Company, stated, "We are delighted to announce Blackstone's strategic investment in PMI. The Board of PMI believes Blackstone is an ideal partner for the Company as PMI pursues an investment strategy that will create significant shareholder value for all PMI shareholders."

"Blackstone is pleased to announce its investment in PMI," said Naveen Bhatia of Blackstone Tactical Opportunities. "Blackstone is well positioned to help the company achieve its strategic objectives and maximize value for all shareholders. We look forward to partnering with the PMI team."

Peter J. Solomon Company is acting as financial advisor to the Company in connection with the transactions contemplated herein. Skadden, Arps, Slate, Meagher & Flom LLP is counsel to the Company. Blackstone Advisory Partners L.P. is acting as financial advisor and Weil, Gotshal & Manges LLP is counsel to Blackstone.

### **About The PMI Group**

PMI is a Delaware corporation founded in 1972. PMI is the holding company of a residential mortgage insurance provider operating through its primary subsidiary, PMI Mortgage Insurance Co. ("MIC"), which is domiciled in Arizona. MIC was placed into receivership in 2012 by the Arizona Department of Insurance and currently continues its operations thereunder.

### **About Blackstone**

Blackstone's Tactical Opportunities business employs an opportunistic investment strategy

across asset classes, industries and geographies. The strategy seeks to capitalize on time-sensitive or non-traditional investment opportunities that are differentiated and difficult to source, analyze or execute.

Blackstone is one of the world's leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with over \$330 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services. Further information is available at [www.blackstone.com](http://www.blackstone.com). Follow Blackstone on Twitter @Blackstone.

Blackstone  
New York  
Public Affairs, +1-212-583-5263

Source: Blackstone