

## **TELSTRA DEAL IMPROVES QUALITY OF M&G ASIA PROPERTY PORTFOLIO**

**LONDON, 11 September 2013** – M&G Real Estate has improved the long-term income stream and further reduced risk in its core Asia real estate strategy by agreeing a new lease on a property it co-owns in Sydney, Australia. The deal provides annual income growth of 4% from 2014.

The agreement on 400 George Street is an extension on the tenancy of blue chip Australian telecommunications and media company Telstra. The deal includes six leases with terms from seven to 11 years, extending Telstra's occupation of the building until 2025. Telstra will occupy more than 30,000 square metres over 17 floors of the property's total 51,223 square metres and 31 floors. This reduces property vacancy at 400 George Street from 3.5 floors to 0.5 floors, or 1.6% of net lettable space.

400 George Street is a grade A commercial and retail asset situated in the centre of Sydney's central business district. It is one of seven properties held under M&G Real Estate's core Asia strategy, which has USD 1.2 billion assets under management at 30 June 2013. The strategy is a defensive, diversified portfolio aimed at institutional investors.

Erle Spratt, fund manager at M&G Real Estate says: "This deal improves the quality of our core Asia real estate portfolio. As an active fund manager, we constantly seek to improve income duration to minimise risk and achieve income growth to add value."

The deal is one of the biggest leasing transactions of 2013 in Sydney and has been secured in partnership with co-owner Investa Office, Australia's leading office owner/manager and land developer. It increases the weighted average lease term to expiry ("WALE") of the building from 3.6 years to 7.3 years. WALE is used to measure tenancy risk and assess the likelihood of the property being vacated.

James MacKinnon, Director of Asset Management of M&G Real Estate Asia says: "This is a high quality building and we're pleased that we now have significantly

increased certainty of income from the asset over the next ten years. We are delighted to continue our long partnership with Telstra.”

400 George Street is jointly owned by M&G Asia Property Fund, Investa Property Trust and Investa Commercial Property Fund.

**-Ends-**

**Notes to Editors**

**About M&G Real Estate**

M&G Real Estate (formerly known as PRUPIM), is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £16 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 June 2013). M&G is the investment arm of Prudential Plc in the UK and Europe. For more information please visit [www.mandg.com/realestate](http://www.mandg.com/realestate)

**About M&G Real Estate - Asia**

In Asia M&G Real Estate has offices in Singapore, Seoul and Tokyo from which it creates, distributes and manages real estate investment vehicles that focus on the Asia Pacific region. M&G Real Estate in Singapore is a subsidiary of London-based M&G Real Estate. As at 30 June 2013, the Singapore office manages US\$1.7 billion in assets.

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