

M&G REAL ESTATE CELEBRATES 150 YEAR ANNIVERSARY IN PROPERTY INVESTMENT WITH RECORD DEAL VOLUME

- ***£3.5 billion of property purchases and sales over the past 12 months***
- ***£ 6.6 billion of property purchases and sales over past 3 years***

London, 15 January 2014 – M&G Real Estate has marked the start of its 150th anniversary by announcing that it has completed or committed to £3.5 billion worth of deals in the past 12 months. This total includes over £2.5 billion of acquisitions, across 123 individual assets mainly in UK commercial real estate, but increasingly in UK residential and international property.

Alex Jeffrey, Chief Executive of M&G Real Estate, says this record-breaking year is attributable to M&G Real Estate's ability to deploy capital from Prudential and third party institutions innovatively, with thoroughness, speed and reliability as a deal counterparty. Some 70% of all 2013 deals were conducted off-market.

M&G Real Estate's ability to transact in scale was evidenced by its UK acquisitions of Bankside 2 & 3 (SE1), Riverside (SE1), three Tesco superstores, 18 British Car Auctions sites and, in a pioneering move back into the UK residential sector, 401 market rented units at Stratford Halo and a portfolio of 534 homes acquired from Berkeley Group.

M&G Real Estate has also conducted several innovative swap deals – with Hermes (Guildford Friary Centre), SWIP and the BP Pensions Fund – and partnered with a leading Asian institution.

Collaboration with M&G's institutional fixed income and retail businesses has been critical to the record volume of transactions, including joint initiatives on the M&G Secured Property Income Fund and the M&G Property Portfolio.

Alex Jeffrey adds: "Throughout a century and a half, since the first investment we made for Prudential at Holborn Bars, our investment approach has been based on consistent principles of long-term, cautious, income-driven investing underpinned by strong fundamental research.

“As we enter our 150th year in property investment, it is pleasing to announce a record level of annual transactions. These deals bring good value to our clients, including Prudential and other institutional custodians of long term savings, either through capital value or rental growth across a diversified range of sectors.

“Aside from this strong performance, two things have been particularly pleasing. First is M&G Real Estate’s long standing ability to innovate. This was most notably seen in a pioneering move back into the UK residential market – something we did in scale – but we have also conducted swap transactions and joint ventures to make good deals happen in very competitive markets.

“Second is the outstanding work done by M&G Real Estate’s asset management and investment teams. Their work makes a huge contribution to the sort of investment returns required by our growing number of institutional clients.

“As the economy improves I would expect the coming 12 months to continue to provide further opportunities, whether in Europe, or Asia where we are growing our footprint. Whilst competition for assets is growing, what seems clear is that investors with scale, skill and a proven track record will continue to prosper, both in attracting deals and client capital.”

On the international front, M&G Real Estate has demonstrated its commitment to expand its footprint in Asia with office openings in Japan and Korea and the appointment of senior management in both locations. M&G Real Estate’s core Asia real estate investment strategy has further diversified its portfolio with an acquisition in Japan – a retail property in an established urban residential neighbourhood of central Kobe.

In Europe M&G Real Estate unveiled an enlarged office in Paris in addition to a new appointment in Frankfurt to support its growing number of asset acquisitions in the region. The team in Paris is responsible for identifying core investment opportunities in France, Germany, Benelux and the Nordics and the active asset management of those assets.

-ENDS-

Notes to Editors

About M&G Real Estate

M&G Real Estate 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 £17 billion* invested in a broad spread of properties across Europe, North America and the Asia Pacific region (M&G Real Estate as of 30 September 2013). M&G is the investment arm of Prudential Plc in the UK and Europe. For more information please visit: www.mandg.com/realestate

*Total assets under management plus cash

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