

M&G REAL ESTATE BOOSTS ASIA PROPERTY PORTFOLIO WITH ACQUISITIONS IN JAPAN

London/Singapore, 13 October 2014 – M&G Real Estate has acquired 12 residential properties and an office building in Japan as part of its strategy to improve long-term income and add diversification to its core Asia real estate portfolio.

The acquisitions follow Japanese purchases by M&G Real Estate in Fukuoka and Osaka earlier this year. Japan now accounts for 17% of the firm's core Asia real estate strategy, which is aimed at institutional investors.

KR Toyosu is a seven storey office property in a relatively new and rapidly improving location, five subway stops from Tokyo station. Recently refurbished, the building has 100% occupancy with an established tenant. It has a total 12,543 sqm of office space.

Residential One is a portfolio of 12 high quality residential apartment blocks comprising a total of 745 homes spread across major cities mainly in west Japan. All 12 properties benefit from high occupancy rates. The acquisition of Residential One supports M&G Real Estate's increased exposure to Japanese residential property, following its acquisition earlier this year of F Parc Tenjin in Fukuoka. The firm's research has highlighted the Japanese residential sector for its attractive income qualities, improving market fundamentals and good liquidity.

Fund Manager Erle Spratt says: "These acquisitions add distinct value to our Asia Pacific property portfolio as we continue to diversify risk and build upon the attractive investment performance this strategy has achieved.

"The acquisitions fit into our strategy of constructing a portfolio in Japan that comprises two-thirds income-oriented assets and one-third growth investments to deliver attractive income and capital growth for investors."

Katsuhiro Ishikawa, Managing Director, M&G Real Estate Japan, adds: "These are high quality assets presenting diverse opportunities for investors. Additional transport infrastructure in

Toyosu is planned and will greatly improve the suburb's connectivity to the rest of Tokyo over the next few years. We expect substantial growth given the improved accessibility and infrastructure developments linked to the 2020 Olympics.

“Residential One offers relatively high yields versus Tokyo. With continued capital momentum given increased investment appetite from both domestic and foreign capital, we expect there will be limited supply of similar assets in the near term. The residential apartment blocks are in prime locations and are generally newer and of better specifications relative to the market.”

Managed by Erle Spratt, M&G Real Estate's core Asia real estate strategy holds properties in Hong Kong, Japan, Singapore, South Korea and Australia with a combined total value of US\$1.76 billion.

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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 £19.3 billion (US\$33 billion) invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 June 2014). M&G Real Estate has a sector-leading approach to responsible property investment, and is committed to assessing and improving the sustainability performance of funds under management.

M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information please visit www.mandg.com/realestate

About M&G Real Estate - Asia

M&G Real Estate has offices in Singapore, Seoul and Tokyo dedicated to real estate in the Asia Pacific region. M&G Real Estate in Singapore is a subsidiary of London-based M&G Real Estate. As at 30 June 2014, the Singapore office is responsible for US\$2.1 billion in assets.

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