

M&G REAL ESTATE STRENGTHENS COMMITMENT TO SOUTH KOREA WITH US\$ 141 MILLION RETAIL ACQUISITION

LONDON/HONG KONG/SINGAPORE, 1 November 2016 – M&G Real Estate, the real estate fund management arm of M&G Investments, has completed the acquisition of Upsquare, a shopping mall in South Korea. At a total cost of US\$141 million (KRW158 billion/£115 million) the acquisition was made on behalf of M&G Real Estate's core Asia property strategy.

Upsquare is a three-year-old freehold retail complex located in a prime shopping district within central midtown Ulsan City, a key industrial hub in the country. Anchored with two popular department stores, among other retail and entertainment outlets and eateries, the multiplex enjoys a vibrant inner urban retail appeal and high footfall, particularly from young affluent Koreans. Midtown Ulsan is one of the busiest shopping districts within South Korea.

Chiang Ling Ng, Chief Executive Officer of M&G Real Estate Asia, comments: "We are pleased to expand our core Asia Pacific property portfolio with the addition of Upsquare in Ulsan, a town centre enjoying established footfall given its premium location. This property is anticipated to offer yield enhancement potential, which we believe will contribute significant value to our Asia strategy."

Key existing tenants in Upsquare include domestic and foreign brands such as multiplex cinema chain CGV, Kyobo Book Centre, and international fashion brands H&M and Uniqlo.

Hyesik Ryu, Managing Director, M&G Real Estate Korea, adds: "Despite the trend of online shopping, investment sentiment in the South Korean retail sector remains strong, with the down-town shopping mall format growing in appeal to the experience demanding shoppers.

"Upsquare is well-positioned to benefit from this trend by providing a spectacular experience in dining, entertainment and shopping. More importantly, Ulsan's vibrant regional position, coupled with our long term approach to ownership, offers a competitive proposition for our tenants and enables us to deliver a strong investment performance here and in the wider region in which we invest."

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Notes to Editors:

About M&G Real Estate's South Korea assets (as of October 2016)

- **Upsquare** (retail complex); Ulsan, acquired at KRW158 billion
- **Lotte Mart Daejeon Daedeok Branch** (hypermarket); Daejeon, acquired at KRW136 billion
- **Lotte Mart Jeju Branch** (hypermarket); Jeju, acquired at KRW70 billion
- **Lotte Factory Outlet Incheon Hangdong Branch** (outlet mall); Incheon, acquired at KRW56 billion
- **Northgate (Office)**; Seoul, acquired at KRW177 billion

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 £25 billion (US \$33 billion) invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 June 2016). 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 2016, the Singapore office is responsible for US\$3.2 billion in assets.

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