

News Release



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Pramerica Real Estate Investors secures £150 million of discretionary funds for European real estate debt strategy

LONDON—Pramerica Real Estate Investors announced today that it has secured £150 million of institutional capital for its European real estate debt strategy, including capital from a pension fund serviced by APG, the leading pension fund manager in the Netherlands with more than €240 billion of assets under management. Pramerica is the real estate investment and advisory business of Prudential Financial (NYSE: PRU), which is headquartered in the United States.

Pramerica's European debt platform will look to invest the discretionary capital, and any additional capital committed to the strategy, in directly originated real estate mezzanine finance and debt-like preferred equity opportunities. The portfolio management team, led by managing directors Andrew Radkiewicz and Andrew Macland, seeks to take advantage of growing opportunities in areas of financing not currently being filled by banks and other senior lenders.

"The dramatic shortage of debt capital in the commercial real estate markets has created significant borrower demand in the short term, which we expect will increase and endure as the markets evolve in the face of looming capital shortfalls," said Jack Taylor, managing director and head of Pramerica's global high yield debt initiative. "Our global platform can help fill the void, with an initial focus on Europe and the US. We're thrilled that investors have confidence in our team and our strategy, and we look forward to establishing long-term partnerships with co-lenders, borrowers and other market participants to meet the strong and growing demand from institutions across the world for access to debt investments."

Pramerica's strategy in Europe is part of its global initiative to provide institutional investors with an array of investment opportunities in commercial real estate debt. Pramerica believes its strategy can help to fill the funding gap in the European real estate finance market through the provision of mezzanine and preferred equity finance to mid-size, high quality private and public property companies and funds. It will target borrowers that are looking to finance property acquisitions of between £10 million and £300 million. It will also work with banks and other institutions on refinancing existing borrowings, as well as the restructuring of performing loans where a further injection of capital is required.

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Pramerica is targeting deals where the underlying assets are income producing commercial properties and will not invest in distressed or securitized debt. The team will focus primarily on opportunities in the UK and Germany, supported by Pramerica's extensive team of asset managers who will provide underwriting and ongoing specialist asset management and market advice.

Radkiewicz and Macland, who formerly ran the real estate finance division at N.M. Rothschild & Sons, began building the European initiative in 2009 when Pramerica CEO Allen Smith launched an effort to build a global debt team and expand Pramerica's business in Europe. Taylor leads the global team.

"To have £150 million of institutional capital to invest on a discretionary basis in the current market is a strong endorsement of both the strength of the team at Pramerica and the interest in the benefits of the many investment opportunities that are available," Radkiewicz said. "We are delighted to be working with investors such as APG at this stage of our evolution as a pioneering platform for this highly specialised asset class."

Added Macland, "We are very excited by the number of opportunities we are seeing in the market and by the fact that we are one of the first managers to have discretionary funds available to deploy specifically into preferred equity and mezzanine opportunities. We believe there is clear demand from a number of good quality borrowers for a lender that is prepared to fund the gap left by the banks and provide them with well-structured finance for acquisitions, or help with restructuring fast maturing existing performing loans on income producing assets."

About Pramerica Real Estate Investors: Pramerica Real Estate Investors is a leader in the global real estate investment management business, offering a broad range of investment vehicles that invest in private and public market opportunities in the United States, Europe, Asia, and Latin America. Headquartered in Parsippany, N.J., Pramerica Real Estate Investors has offices in Atlanta, Chicago, New York, San Francisco, Miami, London, Lisbon, Madrid, Milan, Munich, Paris, Luxembourg, Istanbul, Singapore, Mexico City, Rio de Janeiro, Hong Kong and Tokyo. As of March 31, 2010, the company managed approximately \$43.8 billion in gross real estate assets (\$22.8 billion net) on behalf of more than 490 clients worldwide and ranks among the largest real estate investment managers. For more information, please visit <http://www.pramericarei.com>

About Pramerica Financial: Pramerica Financial is a trade name used by Prudential Financial, Inc., a company incorporated and with its principal place of business in the United States, and its affiliates in select countries outside the United States. PFI (NYSE: PRU), a financial services leader with approximately \$693 billion of assets under management as of March 31, 2010, has operations in the United States, Asia, Europe, and Latin America. PFI's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management, and real estate services. In the U.S., the company's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit <http://www.news.prudential.com/>. PFI of the United States is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.



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