

LAND and BUILDINGS

Land and Buildings Calls on Pennsylvania REIT to Run an Auction to Sell Lowest Productivity Malls Given Substantial Interest from Multiple Qualified Buyers

- *Land and Buildings urges Pennsylvania REIT to have Goldman Sachs, the investment bank the Company has retained, run a publicly announced auction process to sell the 17 least productive malls –*
- *Land and Buildings has received unsolicited inquiries from multiple qualified buyers interested in acquiring all or part of Pennsylvania REIT, including the least productive malls –*

Stamford, CT— (December 10, 2014) – Today Land and Buildings, an investment firm specializing in publicly traded real estate and real estate related securities, and a shareholder of Pennsylvania Real Estate Investment Trust (“PREIT”, “PEI”, the “Company”) (NYSE: PEI), sent a letter to the CEO and Board of Directors of PREIT.

The letter urges Pennsylvania REIT to have Goldman Sachs, the bank the Company has retained, run a publicly announced auction to sell the 17 least productive malls. Land and Buildings has received numerous unsolicited indications of interest from multiples qualified buyers for all or part of the Company, including the lowest productivity malls. Land and Buildings believes selling these lower quality assets would drive the PEI share price closer to the estimated \$30 per share net asset value.

The full text of the letter can be found below, and Land and Buildings’ previously-released October 2014 presentation on PREIT can be accessed at www.landandbuildings.com.

Full text of the letter follows:

December 10, 2014

Joseph F. Coradino
Chief Executive Officer
Pennsylvania Real Estate Investment Trust
200 South Broad Street
Philadelphia, PA 19102-3803

Dear Joe:

Land and Buildings urges you and the Board of Pennsylvania REIT (NYSE: PEI) to have Goldman Sachs, the investment bank you have retained, run a publicly announced auction process to sell the 17 least productive malls in your portfolio and further close the gap between your share price and our estimated \$30 per share net asset value.

Land and Buildings has received (unsolicited) indications of interest from multiple qualified buyers for the entire 17 mall “liquidation” portfolio since making our views public several weeks ago. As we outlined in our October 2014 presentation, “Pennsylvania REIT (PEI): 55% Upside to NAV,” we believe PEI can best maximize value for shareholders by immediately monetizing these lower quality malls that in our view are receiving zero equity value in the public markets. Pricing for these assets appears to be in the low double digit cap rates, consistent with the valuation work we outlined in our presentation.

Further, Land and Buildings has been contacted (also unsolicited) by multiple qualified buyers interested in acquiring the remaining 16 malls (the “Keeper” portfolio) as well as the entire company.

I have genuinely enjoyed working with you this year as we discussed strategies on how to drive your share price closer to NAV. We are encouraged by the Company’s progress on its strategic plan, including further non-core asset dispositions, but we continue to believe bolder, swifter action is necessary. We believe selling the 17 lower productivity mall assets is an important first step to maximizing value for shareholders. If the value of the “Keeper” portfolio remains at a discount after the sale of these malls, we would then encourage you to evaluate a sale of the remaining portfolio.

All the best,



Jonathan Litt

Land and Buildings

cc:

Walter D’Alessio, Rosemarie Greco, Leonard Korman, Donald Mazziotti , Mark Pasquerilla, Charles Pizzi, John Roberts, Ronald Rubin

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About Land and Buildings:

Land and Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land and Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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