

M&G INVESTMENTS FINANCES £517 MILLION WHOLE LOAN TO LODHA UK FOR ITS RESIDENTIAL DEVELOPMENT No 1 GROSVENOR SQUARE

London, 10 October 2017 – M&G Investments (“M&G”), an international investment manager, is to provide a £517 million whole loan to Lodha UK (“Lodha”) for the development of its flagship scheme at No. 1 Grosvenor Square, central London. The entire loan will be invested and held by funds managed by M&G.

No. 1 Grosvenor Square is amongst the most high profile residential developments currently in the capital. On completion in December 2019 it will provide 48 residential units with on-site leisure amenities at one of the most prestigious addresses in London designed by the acclaimed international interior design firm Yabu Pushelberg. Lodha purchased the site in 2014 and in 2015 Westminster City Council granted consent for its complete redevelopment.

Grosvenor Square is undergoing a period of significant changes. In addition to the development by Lodha, Rosewood has recently been announced as the hotel operator for the redevelopment of the former US Embassy at the western end of the square.

Dan Riches, Director, Real Estate Finance, M&G Investments, says: “We have worked extremely closely with Lodha over the past 12 months to ensure the delivery of the development of this historic site in central London. Lodha has proven to be a highly capable counterpart with deep understanding of this market and has assembled a top tier project team for the development of No. 1 Grosvenor Square.

“M&G’s direct origination model gives our institutional investors direct access to prime real estate such as No. 1 Grosvenor Square. Our unique ability to invest and hold large loans on the most complex of transactions has proven extremely attractive to borrowers and provides us with more opportunities to create value for our investors.

“Private credit investments have become increasingly sought after by institutional investors seeking higher returns than are available in more liquid markets.”

Ab Shome, Director of Finance, Lodha UK, says: “We are delighted to be supported by M&G Investments to fund the delivery of this unique development. M&G’s size, stability and

long-term outlook make them the perfect funding partner for such a significant and prestigious project.”

Gabriel York, Co-Head of Lodha UK, adds: “M&G’s backing is a significant endorsement of our Grosvenor Square project and marks a major milestone in the growth of our UK business.”

M&G’s Real Estate Finance team has invested over £7 billion in commercial mortgages (as at 6 October 2017) in the UK and Europe and is one of the largest new lenders to emerge since the 2008 global financial crisis.

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Notes to Editors

About M&G Investments

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G’s customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 June 2017 M&G manages over £281 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G is the asset management arm of Prudential Plc in the UK and Europe.

As a steward of clients’ assets M&G recognises the importance of responsible investing with the analysis of environmental, social and governance (ESG) factors core to the business. M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program, which is dedicated to achieving the long-term goal of building climate resilient economies. M&G’s £27 billion real estate business arm has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of its funds.

Lodha Group

Based at 3 St James's Square, Lodha UK is the UK development subsidiary of Lodha Group, India's largest real estate developer. The company is based at 3 St James's Square in central London and is currently developing two residential sites in London; No 1 Grosvenor Square and Lincoln Square.

Established in 1980, the privately held Lodha Group is India's leading real estate developer and amongst the world's select multinational real estate developers with a presence in India and the United Kingdom.

The Group is currently developing an estimated 43 million sq ft of prime real estate with the largest land reserves in Mumbai and has 28 ongoing projects across London, Mumbai, Pune and Hyderabad. The group has the largest land bank of over 6,200 acres with an estimated saleable area of ~553 million sq ft. In FY 14-15 alone the company delivered 5.7 million square feet and 5,500 units across projects. The group plans to deliver more than 11.8 million sq ft in FY 15-16.

Lodha's landmark developments include World One – the world's tallest residential tower, and Palava City – the first Greenfield smart city in the country.

Lodha is unveiling No. 1 Grosvenor Square through a VIP Lounge at the exclusive Frieze Art Fair in Regent's Park from 4-8 October.

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