Move to **QUALITY** is pronounced and accelerating

**RESULTS** achieved are demonstrable and sustainable

Experiencing a dramatic increase in new retail **DEMAND**

**REDEVELOPMENT** opportunities are realizable and impactful

Balance sheet is **STRONG** and improving
SS NOI Growth 2.6%; at high end of guidance range

Sales grew by 10% to $435 psf

Non-anchor cash renewal spreads 6%

Executed 646,000 sf of new leases; Same suite spreads 13%

Signed 7 new H&Ms to the portfolio

Secured replacement for anchor closed in 2015

Advanced disposition program with sale of two malls
  • Four additional malls & three other properties are under contract with non-refundable deposits
KEY PRIORITIES

Complete **sale of non-core assets**: 5 low-productivity malls and others

Bring **Springfield Town Center** NOI to stabilization

Solidify plans at **Fashion Outlets of Philadelphia**

Explore opportunity to joint venture of core assets to **reduce leverage**

Execute **remerchandising and anchor replacement** efforts

Continue to deliver strong **operating results**
A sustainable, growing platform

$500 psf in sales

More than 50% of NOI generated from top 10 MSAs

Sustained NOI growth greater than 3%

Leverage below 48%
A UNIQUE PLATFORM
Realizing a Transformed PREIT

Well-positioned portfolio with high-quality assets

Concentration in densely populated, high barrier-to-entry markets

High quality assets in two Top 10 MSAs is attracting productive retailers

Opportunities to improve asset quality through remerchandising & redevelopment

Significantly reduced risk profile through dispositions

Mitigated anchor exposure through asset sales & replacement initiative

Scale allows for intensive focus by senior management on priority endeavors

Improved portfolio has provided ability to attract and retain top talent
PREIT is the Dominant Enclosed Mall Landlord in the 6th largest MSA

- Own 41% of the enclosed mall GLA in the Philadelphia Metro Area
- Serve 6+ Million residents and 40 million visitors in the Philadelphia Metro Area
PREIT has established a strong presence in the 7th largest MSA

- Own 4 of 19 enclosed malls serving unique and growing markets
- Serve 3+ million residents and tens of millions of visitors in the Washington DC Metro Area
Continue to evaluate all properties and divest when necessary or invest when the opportunity presents itself.

Myopic focus on delivering results that rival the high quality peer set, namely 3%+ SS NOI growth.

The scale of our portfolio provides an opportunity to impact the platform through well-executed repositioning projects.

Attention to balance sheet is a must with a focus on timing of spend and risk-adjusted returns.
## Disposition Review

Optimally timed program yields results

<table>
<thead>
<tr>
<th>Property</th>
<th>Date Sold</th>
<th>Sales Price (millions)</th>
<th>Sales psf</th>
<th>Gross Rent psf</th>
<th>Non-anchor occupancy</th>
<th>Cap Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillipsburg Mall</td>
<td>Jan ’13</td>
<td>$ 11.5</td>
<td>$ 229</td>
<td>$26.24</td>
<td>66.5%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Orlando Fashion Square</td>
<td>Feb ’13</td>
<td>35.0</td>
<td>233</td>
<td>$30.78</td>
<td>80.7%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Chambersburg Mall</td>
<td>Nov ’13</td>
<td>8.5</td>
<td>235</td>
<td>$19.46</td>
<td>76.2%</td>
<td>n/a</td>
</tr>
<tr>
<td>South Mall</td>
<td>Jun ’14</td>
<td>23.6</td>
<td>227</td>
<td>$25.10</td>
<td>90.6%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Nittany Mall</td>
<td>Sep ’14</td>
<td>32.3</td>
<td>243</td>
<td>$28.99</td>
<td>70.0%</td>
<td>16.2%</td>
</tr>
<tr>
<td>North Hanover Mall</td>
<td>Sep ’14</td>
<td>(included w/Nittany)</td>
<td>275</td>
<td>$36.06</td>
<td>72.8%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Uniontown Mall</td>
<td>Aug ’15</td>
<td>23.0</td>
<td>282</td>
<td>$26.71</td>
<td>84.5%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Voorhees Town Center</td>
<td>Sep ’15</td>
<td>13.4</td>
<td>261</td>
<td>$26.33</td>
<td>74.3%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Palmer Park</td>
<td>Feb ’16</td>
<td>18.0</td>
<td>311</td>
<td>$35.17</td>
<td>82.9%</td>
<td>13.6%</td>
</tr>
<tr>
<td><strong>Total Malls</strong></td>
<td></td>
<td><strong>$165.3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paxton Town Centre</td>
<td>Jan ’13</td>
<td>76.8</td>
<td></td>
<td></td>
<td></td>
<td>6.9%</td>
</tr>
<tr>
<td>Commons at Magnolia</td>
<td>Sep ’13</td>
<td>12.3</td>
<td></td>
<td></td>
<td></td>
<td>8.9%</td>
</tr>
<tr>
<td>Christiana Center</td>
<td>Sep ’13</td>
<td>75.0</td>
<td></td>
<td></td>
<td></td>
<td>6.5%</td>
</tr>
<tr>
<td>The Gallery (50% interest)</td>
<td>Jul ’14</td>
<td>106.8</td>
<td></td>
<td></td>
<td></td>
<td>5.1%</td>
</tr>
<tr>
<td>Whitehall Mall</td>
<td>Dec ’14</td>
<td>20.0</td>
<td></td>
<td></td>
<td></td>
<td>7.0%</td>
</tr>
<tr>
<td>Springfield Park</td>
<td>Jul ’15</td>
<td>20.2</td>
<td></td>
<td></td>
<td></td>
<td>7.0%</td>
</tr>
<tr>
<td>Other properties</td>
<td>Various</td>
<td>30.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td></td>
<td><strong>$506.9</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Finalizing transactions underway solidifies mall platform

### Mall Property

<table>
<thead>
<tr>
<th>Mall Property</th>
<th>Status</th>
<th>Estimated Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package – Gadsden, Wiregrass, New River Valley</td>
<td>Non-refundable deposit</td>
<td>1H 2016</td>
</tr>
<tr>
<td>Lycoming Mall</td>
<td>Non-refundable deposit</td>
<td>1H 2016</td>
</tr>
<tr>
<td>Washington Crown Center</td>
<td>Marketing</td>
<td>2H 2016</td>
</tr>
</tbody>
</table>

### Non-Mall Property

<table>
<thead>
<tr>
<th>Non-Mall Property</th>
<th>Status</th>
<th>Estimated Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1520-22 Chestnut &amp; 1501-05 Walnut St</td>
<td>Non-refundable deposit</td>
<td>1H 2016</td>
</tr>
<tr>
<td>Gainesville, FL Land Parcel</td>
<td>Non-refundable deposit</td>
<td>1H 2017</td>
</tr>
</tbody>
</table>

Estimated Gross Proceeds: $180 - $190 million
Since 2012, PREIT has added several new impact tenants to the portfolio:

**Marquee first-to-portfolio tenants**

Century 21 opened their first store outside of NY Metro in Philadelphia.

Legoland Discovery Center will join Plymouth Meeting in 2017; one of only 9 in the US.

State-of-the-art family entertainment center with bowling, karaoke, billiards, arcade games and more along with great food and drink.
<table>
<thead>
<tr>
<th>Tenant</th>
<th># of locations 2012</th>
<th># of locations post-disposition</th>
<th># of locations post-recapture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sears</td>
<td>29</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>JCP</td>
<td>29</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Bon-Ton</td>
<td>12</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
REMERICHANDISING: Viewmont Mall
Scranton, PA

Vision
- Capture underserved customer and expand dominant position in the trade area by bringing in several first-to-market tenants
- Solidify value through re-negotiated long term leases with high quality tenants

Strategy
- Capitalize on lease expirations to right-size existing tenants
- Add catalyst tenants that would open only store in market

Execution
- CVS Lease expiration [9,000sf]
- Limited Superstore renegotiation [30,000sf]
- Secured new tenants
- New store prototype build-out for existing tenants
RESULTS

Sales

$445 psf (as of 12/31/15)
- Up 20% since Q1 ‘13

Non Anchor Occupancy

98.2%
- Up 450 bps over 12/31/14

Est. NOI Growth

+20%
- measured from 2014-2015
**Vision**
- Differentiate mall offerings by creating a dining and entertainment focus with best-of-breed local retailers
- Attract affluent customer base

**Strategy**
- Introduce high quality dining and entertainment
- Add high-end boutiques offering brand name products in boutique atmosphere

**Execution**
- Attracted best-of-breed, destination dining options
- Secured only RPX theater in Philadelphia market
- Relocated award-winning salon to add to lifestyle atmosphere
- Successfully leased Boutique Row
RESULTS

Sales

$361 psf
- with expectations to exceed $400 psf upon stabilization

Occupancy

87.4% Non-Anchor
- Up 9% since 2011 Referendum

Est. NOI Growth

+40%
- measured from 2011-2016 (e)
NOI from remerchandised properties expected to increase by 18% by 2018
Percentage of NOI from high productivity properties increasing

2012:
- >$450: 23.0%

2015:
- >$450: 40.4%

2018:
- >$450: 62.6%
PERFORMANCE PRIORITY
IMPROVING RENEWAL RENT SPREADS
Improved portfolio balances leverage with tenants

(1) Represents non-anchor transactions
G&A AS % OF REVENUE
Reduced and scalable G&A
SALES OUTPACING OCCUPANCY COSTS
Opportunity to drive rents to correlate with sales growth
Improved renewal spreads: $5 – 10 Million

Migration to fixed CAM: $1.5 – 2 Million

Improved common area margin: $1 Million

Occupancy gains: $1.7 – 5.1 Million

Temp-to-perm conversion: $1.25 Million

New buildable area: $1.5 Million

Quantified opportunity to drive 3%+ annual increases in Same Store NOI= $16.4 Million
### ORGANIC GROWTH LEVERS
Renewal Spreads

<table>
<thead>
<tr>
<th></th>
<th>12/31/15 Avg Rent</th>
<th>2016 Expirations</th>
<th>2017 Expirations</th>
<th>2018 Expirations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premier</td>
<td>$67.60</td>
<td>$53.69</td>
<td>$52.97</td>
<td>$57.17</td>
</tr>
<tr>
<td>Core Growth – Major Market</td>
<td>$45.79</td>
<td>$40.05</td>
<td>$44.49</td>
<td>$42.36</td>
</tr>
<tr>
<td>Core Growth – Market Dominant</td>
<td>$44.13</td>
<td>$43.64</td>
<td>$49.40</td>
<td>$43.38</td>
</tr>
</tbody>
</table>

3.8 million sf of leases expiring 2016 – 2018 represent opportunity to drive **$5.0-10.0 million** in incremental revenue at estimated average 7% spread.
$1.5 to $2.0 million of additional contribution from tenants with Fixed CAM leases
Opportunity to grow operating margin through Fixed CAM greater in post-disposition portfolio

(1) Calculated as CAM revenues divided by CAM Operating Expenses excluding non-cash CAM depreciation
(2) Includes all malls owned during the periods presented excluding The Gallery and Springfield Town Center
(3) Excludes 6 malls currently marketed for sale, Fashion Outlets of Philadelphia and Springfield Town Center
$1.0 million per annum increases through increased revenue and expense control.
Conversion of 25% of temporary tenants generates $1.3 million in annual revenue uplift
EXECUTING GROWTH INITIATIVES
Recently opened **Dave & Buster’s** in 32,000 square feet. Strong sales indicate strength of location.
Capital Allocation Protocol

- Careful, measured approach

- Priority given to A malls and high-quality B’s that are cap rate transformative

- Priority given to value enhancing (offensive) projects vs. maintaining (defensive)

- Limit number and scope of projects being pursued at any given point

- Timing of outlay & balance sheet impact modeled to ensure internal targets are achieved

- Predevelopment costs capped

- Targeted returns of 200-300 bps over trading cap rate

- Minimum leasing thresholds required before commitment is finalized
## ACTIVE REDEVELOPMENT PROJECTS

### Summary

<table>
<thead>
<tr>
<th>Mall Name</th>
<th>Cost (in millions)</th>
<th>Targeted Return</th>
<th>Stabilized Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion Outlets of Philadelphia</td>
<td>$160-$190&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>8% - 9%</td>
<td>2020</td>
</tr>
<tr>
<td>Exton Square Mall</td>
<td>$30-$33</td>
<td>9% - 10%</td>
<td>2018</td>
</tr>
<tr>
<td>Plymouth Meeting Mall</td>
<td>$6.6 - $7.3</td>
<td>8% - 9%</td>
<td>2018</td>
</tr>
<tr>
<td>Cumberland Mall</td>
<td>$7.45 - $8.25</td>
<td>10% - 11%</td>
<td>2017</td>
</tr>
<tr>
<td>Mall at Prince Georges</td>
<td>$24.4 - $27.0</td>
<td>8% - 9%</td>
<td>2018</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> PREIT Share of Cost
THE STORY: Spanning three city blocks, the Fashion Outlets of Philadelphia will offer a fusion of outlet retail taking the form of luxury and moderate brands, traditional mall retail, popular flagship retail, destination dining experiences and entertainment offerings. Opening in 2018 with bright, contemporary spaces that will welcome shoppers and reconnect to Market Street with accessible storefronts, sidewalk cafés, a new streetscape, digital signage and graphics, all complementing the existing office space.

THE MARKET:
Population       6,302,012
Average HHI     $86,507
Average Home Value $288,340
Daytime Population 6,693,353

PROJECT DETAILS
Cost             $320- $380 million (1)
Net Cost         $275-$335 million (2)
Targeted Return  8%-9%
Stabilized Year  2020

(1) JV Cost
(2) Net of Grants
ACTIVE REDEVELOPMENT
Fashion Outlets of Philadelphia – Philadelphia, PA
Public Financing Sources & Amounts

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local (1)</strong></td>
<td></td>
</tr>
<tr>
<td>Tax Increment Financing (TIF)</td>
<td>$55 million</td>
</tr>
<tr>
<td>Public Access Easement Agreement</td>
<td>$58 million</td>
</tr>
<tr>
<td><strong>Commonwealth (2)</strong></td>
<td></td>
</tr>
<tr>
<td>Redevelopment Assistance Capital Program (RACP)</td>
<td>$13 million</td>
</tr>
<tr>
<td>Committed RACP</td>
<td>$30 million</td>
</tr>
<tr>
<td>Pending RACP</td>
<td></td>
</tr>
<tr>
<td>Infrastructure Facilities Improvement Program (IFIP)</td>
<td>$1.5 million</td>
</tr>
<tr>
<td>Multimodal Transportation Fund (MTF)</td>
<td>$1.0 million</td>
</tr>
</tbody>
</table>

**TOTAL:** $158.5 million

(1) Paid over time
(2) Paid upon meeting grant requirements
THE STORY: Located in Chester County, the wealthiest and fastest growing in PA, Exton Square Mall sits at the heart of the area’s retail hub. Noted for its strong line-up of national retailers in a convenient, easy-to-shop setting, the property will see an increase in traffic with the addition of a Whole Foods Market, opening in 2017.

Additional synergy will be created on-mall with the potential addition of a first-to-market bowling and entertainment concept in the former JCPenney anchor box.

**THE MARKET:**

- Population: 522,688
- Average HHI: $109,631
- Average Home Value: $369,499
- Daytime Population: 544,048

**PROJECT DETAILS**

- Cost: $30-$33 million
- Targeted Return: 9%-10%
- Stabilized Year: 2018

Round 1 Lease Executed with for 2016 opening
Lease Executed with anticipated opening in 2017
ACTIVE REDEVELOPMENT
Plymouth Meeting Mall – Plymouth Meeting, PA

THE STORY: Capitalizing on the over 90 million cars passing the center every year and expanding the mall’s trade area to a 2-hour drive time, Plymouth Meeting will become a true destination for visitors.

The addition of Legoland Discovery Center will complement an already unique experience that combines great shopping with destination entertainment, high quality dining and a gourmet grocer. This addition is expected to act as a catalyst for an interior mall remerchandising.

THE MARKET:
Population 1,008,315
Average HHI $92,967
Daytime Population 1,116,568

PROJECT DETAILS
Cost $6.6 - $7.3 million
Targeted Return 8%-9%
Stabilized Year 2018
ACTIVE REDEVELOPMENT
Cumberland Mall – Vineland, NJ

THE STORY: The spring 2015 closure of JCPenney presented the opportunity to upgrade Cumberland Mall. The former anchor box sits at the most visible corner of the property and immediately attracted the attention of retailers looking to relocate to mall. In December 2015, a lease was signed with Dick’s Sporting Goods who will open a 50,000 sf store in early 2017. As the only Dick’s Sporting Goods for over 20 miles, the store will drive incremental traffic to the center and solidify its position in the market.

THE MARKET:
Population 920,251
Average HHI $79,272
Daytime Population 881,662

PROJECT DETAILS
Cost $7.45 - $8.25 million
Targeted Return 10% - 11%
Stabilized Year 2017
ACTIVE REDEVELOPMENT
Mall at Prince Georges – Hyattsville, MD

THE STORY
Just 2 miles from the University of Maryland and minutes from Washington DC, the Mall at Prince Georges’ position in the market is strengthened by the sheer volume of development immediately surrounding the property – over $1 billion in recent development has occurred in the trade area. A remerchandising program, highlighted by the recent H&M transaction, will attract the high-income, fashion-oriented customers that have flocked to the area.

Additional opportunities to add fast casual restaurants along the exterior of the mall will add to the density of the property and increase mall traffic.

THE MARKET:
- Population: 1,514,259
- Average HHI: $86,108
- Daytime Population: 1,516,634

PROJECT DETAILS
- Cost: $22.4 - $27 million
- Targeted Return: 8%-9%
- Stabilized Year: 2018
ACTIVE REDEVELOPMENT
Mall at Prince Georges – Hyattsville, MD

1. Belcrest Plaza: 25 acre redevelopment, 2,675 residential units, multi family/town homes;
2. 3350 at Alterra 283 multi-family units
3. Post Park: $87M mixed use project. 396 high-end apartment homes
5. The Gateway at University Town Center: $7M addition completed in 2015.
6. Mosaic at Metro: 260 luxury apartments
7. College Park Place: $20M, 156-room Courtyard by Marriot, with retail and apartments
8. University of Maryland Conference Hotel: $150M facility with 300 hotel rooms and 43,000 SF of conference space.
9. Terrapin Row: $8M student housing complex with 1,575+ beds.
10. Landmark College Park: Student housing with 850 beds and
12. M-Square: Largest research park in MD ($500M+ invested). 6,500+ employees.
13. Riverdale Park Station: $250M mixed-use project including county’s first Whole Foods.
14. Arts District at Hyattsville: $213M, award-winning mixed use
# BALANCE SHEET TARGETS

3 Year Investment Horizon

<table>
<thead>
<tr>
<th></th>
<th>9/30/12</th>
<th>12/31/15 (E)</th>
<th>Year End 2018 Target</th>
<th>Post-Redevelopment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank Leverage</strong></td>
<td>64.1%</td>
<td>50.4%</td>
<td>&lt;48%</td>
<td>46.5%</td>
</tr>
<tr>
<td><strong>Debt/EBITDA</strong></td>
<td>8.9x</td>
<td>8.0x</td>
<td>&lt;7.5x</td>
<td>7.1x</td>
</tr>
<tr>
<td><strong>Liquidity (in millions)</strong></td>
<td>$267</td>
<td>$286</td>
<td>&gt;$250</td>
<td>$258</td>
</tr>
</tbody>
</table>

PREIT
Refinancing efforts since 2012 have resulted in reduced interest expense of $30 million annually.
5.3 years - average time to maturity of mortgage loans
UNENCUMBERED POOL

Q4.13

Q4.14

Q4.15

2016 Proforma

$ Millions

$75

$80

$85

$60

$65

$70

$75

$80

$400

$375

$350

$325

$300

$275

Total Adjusted Annualized NOI

Average Mall Comp Sales
Bank leverage is significantly reduced and expected to fall to mid-40s

$1 million of incremental NOI reduces leverage by 15 – 18 bps
## 3 Year Investment Horizon

### Estimate

<table>
<thead>
<tr>
<th>Event</th>
<th>Description</th>
<th>Bank Leverage (1)</th>
<th>Debt/EBITDA (2)</th>
<th>Liquidity (in millions) (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12/31/15 (E)</strong></td>
<td></td>
<td>50.4%</td>
<td>8.0x</td>
<td>$286</td>
</tr>
<tr>
<td>Baseline NOI Growth</td>
<td>3.0%/yr (280 bps)</td>
<td>(280 bps)</td>
<td>(.6x)</td>
<td>$19</td>
</tr>
<tr>
<td>Sale of Marketed Assets</td>
<td>$200-$225M (80 bps)</td>
<td>(80 bps)</td>
<td>(.1x)</td>
<td>$140</td>
</tr>
<tr>
<td>Sale of JV Power Centers</td>
<td>$145-$155M (210 bps)</td>
<td>(210 bps)</td>
<td>(.3x)</td>
<td>$66</td>
</tr>
<tr>
<td>Redevelopment Capital</td>
<td>$250-$300M 640 bps</td>
<td>640 bps</td>
<td>1.1x</td>
<td>($275)</td>
</tr>
<tr>
<td>Redevelopment NOI</td>
<td>~8.25% return (320 bps)</td>
<td>(320 bps)</td>
<td>(.7x)</td>
<td>$22</td>
</tr>
<tr>
<td>Debt Amortization</td>
<td>$20M/yr (140 bps)</td>
<td>(140 bps)</td>
<td>(.3x)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Post-Redevelopment</strong></td>
<td></td>
<td><strong>46.5%</strong></td>
<td><strong>7.1x</strong></td>
<td><strong>$258</strong></td>
</tr>
<tr>
<td><strong>Target</strong></td>
<td></td>
<td>&lt;48%</td>
<td>&lt;7.5x</td>
<td>&gt;$250</td>
</tr>
</tbody>
</table>

(1) Liabilities-to-GAV per bank credit facility (after adjustment for STC valuation)

(2) Total Debt exc. Cash/Trailing 4Q EBITDA

(3) Credit facility availability less LOC plus available cash (after payoff of $79M loan on Valley Mall Q1 16)
## SOURCES & USES OF CAPITAL

### Preliminary View

<table>
<thead>
<tr>
<th>Sources</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FFO(^{(1)})</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Proceeds from asset sales ($345-$380M)</td>
<td>$325</td>
<td>$20</td>
<td>n/a</td>
</tr>
<tr>
<td>Proceeds from mortgage loans</td>
<td>160</td>
<td>190</td>
<td>n/a</td>
</tr>
<tr>
<td>Other loan (at ownership share)</td>
<td>25</td>
<td>25</td>
<td>n/a</td>
</tr>
<tr>
<td>Total sources</td>
<td>$510</td>
<td>$235</td>
<td>$--</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage loan repayments</td>
<td>(220)</td>
<td>(218)</td>
<td>---</td>
</tr>
<tr>
<td>Mortgages repaid from sale proceeds / assumed</td>
<td>(142)</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Redevelopment CapEx ($250-$300M)</td>
<td>(125)</td>
<td>(110)</td>
<td>(65)</td>
</tr>
<tr>
<td>Total uses</td>
<td>(487)</td>
<td>(328)</td>
<td>(65)</td>
</tr>
<tr>
<td>Net source (use)</td>
<td>$23</td>
<td>$(93)</td>
<td>$(65)</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Assumes that FFO is sufficient to cover dividends, recurring capital expenditures, normal tenant allowances and principal payments on debt.
We will continue to reduce leverage through asset sales and NOI growth.

We have ample liquidity to complete projects underway and protect us in the event of a downturn.

Our debt maturity schedule protects us from any disruption in credit markets.

We have limited exposure to variable interest rates.
Focus on continued improvement

Material Operating Assumptions
- Targeted same store NOI growth of 3%
- 80-100bps increase in same store non-anchor occupancy
- All anchor replacements accounted
- Gallery / FOP redevelopment begins

Asset Disposition Assumptions
- Six malls and street retail properties sold mid-year
- Power Center portfolio sold at the end of 2016
- Land parcel sold in 2017
- Annualized dilution from assumed mall and street retail dispositions is $0.25 per share; 2016 impact is approx. $0.12 to $0.13 per share.

Capital Plan
- Addresses upcoming mortgage maturities
  - Refinance mortgage at Woodland Mall; repay Valley loan
  - Finalize EB-5 loan for FOP
- Use proceeds from asset sales & borrowings to fund redevelopment expenditures

Asset Acquisitions
- None Planned
2016-2018 CAPITAL SPENDING
Focus on continued improvement

Redevelopment CAPEX: $250 - $300 million over 3 years

- Fashion Outlets of Philadelphia - $150 million
- Exton Square - Whole Foods & JCPenney replacement - $32 million
- Mall at Prince Georges - $25 million
- Other projects, anchor replacements and catalyst tenants such as LEGOLAND and H&M - $45 to $95
$250 to $300 million of redevelopment capital spending over the next three years

Includes redevelopment and recurring capital expenditures
## 2016 Earnings Guidance

<table>
<thead>
<tr>
<th>In millions, except per share amounts</th>
<th>2016 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOI from 2016 Same Store Properties (1)</td>
<td>$231-233</td>
</tr>
<tr>
<td>NOI from properties for sale (2)</td>
<td>20-21</td>
</tr>
<tr>
<td>NOI from Springfield Town Center and Gloucester</td>
<td>22-24</td>
</tr>
<tr>
<td>NOI from Fashion Outlets of Philadelphia</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total NOI</strong></td>
<td><strong>$277 - $282</strong></td>
</tr>
<tr>
<td>Other revenues/expenses, net</td>
<td>(33-34)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(84-85)</td>
</tr>
<tr>
<td>Preferred dividends</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>FFO</strong></td>
<td><strong>$143 - $149</strong></td>
</tr>
<tr>
<td><strong>FFO/share</strong></td>
<td><strong>$1.83 - $1.91</strong></td>
</tr>
<tr>
<td>Wtd average shares &amp; equivalents</td>
<td>78</td>
</tr>
</tbody>
</table>

(1) Includes 23 malls identified in premier, core growth – major markets, core growth – market dominant categories

(2) Includes 6 non-core malls, 2 street-level properties and our interest in 3 power centers
## RECONCILIATION TO GAAP EARNINGS

<table>
<thead>
<tr>
<th>In millions, except per share amounts</th>
<th>2016 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO</td>
<td>$143 - $149</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(139 – 142)</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(2-3)</td>
</tr>
<tr>
<td><strong>Net income allocable to common shareholders</strong></td>
<td>$2 - $4</td>
</tr>
<tr>
<td><strong>Net income per share</strong></td>
<td>$0.03 - $0.06</td>
</tr>
<tr>
<td>Weighted average shares and equivalents</td>
<td>69</td>
</tr>
</tbody>
</table>
NOI GROWTH
Projected through 2018

NOI grows to $300 million by 2018, after asset dispositions
Move to **QUALITY** is pronounced and accelerating

**RESULTS** achieved are demonstrable and sustainable

Experiencing a dramatic increase in new retail **DEMAND**

**REDEVELOPMENT** opportunities are realizable and impactful

Balance sheet is **STRONG** and improving

**PREIT**