

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
Form S-4/A
October 01, 2003

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As filed with the Securities and Exchange Commission on October 1, 2003

Registration No. 333-107902

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania

(State or Other Jurisdiction
of Incorporation or Organization)

6798

(Primary Standard Industrial
Classification Code Number)

23-6216339

(I.R.S. Employer
Identification Number)

The Bellevue

200 S. Broad Street

Philadelphia, Pennsylvania 19102

(215) 875-0700

(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Bruce Goldman, Esq.

Executive Vice President, General Counsel and Assistant Secretary

Pennsylvania Real Estate Investment Trust

The Bellevue, 200 S. Broad Street

Philadelphia, Pennsylvania 19102

(215) 875-0700

(Name, Address, Including Zip Code, and Telephone
Number, Including Area Code, of Agent For Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

CROWN AMERICAN REALTY TRUST

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

After careful consideration, the boards of PREIT and Crown have unanimously determined that the merger of our two companies is in the best interests of our respective shareholders, and each board recommends that their respective common shareholders vote FOR approval of the merger agreement, the merger and the related transactions.

The boards of both companies believe that the merger represents a strategic combination of two real estate organizations that will be in the best interests of their respective organizations and shareholders and will solidify PREIT's position as a leading shopping mall REIT in the Mid-Atlantic region. PREIT will own interests in 54 retail properties with approximately 33.4 million square feet in 14 states upon completion of the merger. The combined company is expected to have a significantly increased equity market capitalization which is expected to provide greater financial flexibility and liquidity. PREIT's board believes that PREIT can use its established franchise within the retail community, its long-standing relationship with retailers, its in-house construction and development personnel, its experienced leasing team, and its other operating strengths to create opportunities for long term growth and value-creation with respect to Crown's portfolio.

In the merger, Crown common shareholders will receive 0.3589 common shares of beneficial interest of PREIT for each outstanding common share of beneficial interest of Crown. Cash will be paid instead of issuing fractional shares. Because the portion of the merger consideration to be received in PREIT common shares is fixed, the value of the consideration to be received by Crown common shareholders in the merger will depend upon the market price of PREIT common shares at the time of the merger. PREIT common shares are traded on the New York Stock Exchange under the symbol "PEI." On September 30, 2003, PREIT common shares closed at \$33.45 per share. We estimate that, immediately following the completion of the merger, 33.7% of the outstanding PREIT common shares will be owned by former Crown common shareholders and the remaining 66.3% will be owned by persons who were PREIT common shareholders immediately prior to the completion of the merger, in each case considered on a fully diluted and as-converted basis.

In addition, each outstanding share of Crown 11.00% non-convertible, senior preferred shares will be converted into one newly created PREIT 11.00% non-convertible, senior preferred share, the terms of which shall be identical in all material respects.

We cannot complete the merger unless PREIT common shareholders and Crown common shareholders approve the merger agreement, the merger and the related transactions at the special meetings to be held by PREIT and Crown. Whether or not you plan to attend your special meeting, please take the time to vote by completing and mailing the enclosed proxy card. Alternatively, you may vote by telephone or through

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the Internet as instructed on your proxy card.

In addition, the merger is subject to the receipt by PREIT of a specified number of affirmative votes of certain holders of units of limited partner interest in PREIT Associates, L.P. who are entitled to vote on the merger. The exact number of required votes, if any, will depend on the number of affirmative votes received from the holders of PREIT common shares at the PREIT special meeting. As of the record date for the PREIT special meeting, holders of over 68% of the units of limited partner interest in PREIT Associates, L.P. entitled to vote on the merger have agreed to vote their units in favor of the merger. This percentage of units will be sufficient to approve the merger under the terms of PREIT Associates, L.P.'s limited partnership agreement assuming the merger is also approved by the affirmative vote of a majority of the votes cast by PREIT shareholders at the PREIT special meeting. The merger is also subject to the approval of Crown Investments Trust and Crown American Investment Company, as limited partners of Crown American Properties, L.P., Crown's operating subsidiary. Crown Investments Trust and Crown American Investment Company also have agreed to vote in favor of the merger.

This document provides you with detailed information about your special meeting and the proposed merger. You can also get information from publicly available documents filed by both companies with the Securities and Exchange Commission. **We encourage you to read this entire document carefully, including the section entitled "Risk Factors" beginning on page 19.**

The dates, times and places of the special meetings are as follows:

For PREIT:
November 11, 2003 at 11:00 a.m., local time
Park Hyatt Philadelphia at the Bellevue
200 South Broad Street
Philadelphia, Pennsylvania

For Crown:
November 11, 2003 at 11:00 a.m., local time
The Johnstown Holiday Inn
250 Market Street
Johnstown, Pennsylvania

Ronald Rubin
Chairman and Chief Executive Officer
Pennsylvania Real Estate Investment Trust

Mark E. Pasquerilla
Chairman, Chief Executive Officer and President
Crown American Realty Trust

EACH VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated October 1, 2003 and it is first being mailed on or about October 3, 2003.

This joint proxy statement/prospectus incorporates important business and financial information about our companies that is not included in or delivered with this document. If you are a shareholder of PREIT or a shareholder of Crown you can obtain any of the documents incorporated by reference from PREIT or Crown, as the case may be, or through the Securities and Exchange Commission or the SEC's web site. The address of that site is <http://www.sec.gov>. Documents incorporated by reference are available from the companies, without charge, excluding all exhibits unless specifically incorporated by reference as an exhibit to this document. Shareholders of PREIT or Crown may obtain documents incorporated by reference in this document by requesting them in writing or by telephone from the appropriate company at the following addresses:

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
The Bellevue
200 S. Broad Street
Philadelphia, Pennsylvania 19102
Attention: Jean Dardzinski
Telephone: (215) 875-0735

CROWN AMERICAN REALTY TRUST
Pasquerilla Plaza
Johnstown, Pennsylvania 15901
Attention: Sharon Callihan
Telephone: (814) 535-9407

If you would like to request documents, in order to ensure timely delivery you must do so at least five business days before the date of the special meetings. This means you must request this information no later than November 4, 2003. If you request any incorporated documents, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.

Pennsylvania Real Estate Investment Trust
The Bellevue
200 S. Broad Street
Philadelphia, Pennsylvania 19102

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON TUESDAY, NOVEMBER 11, 2003**

A special meeting of shareholders of Pennsylvania Real Estate Investment Trust, a Pennsylvania business trust ("PREIT"), will be held at 11:00 a.m., local time, on Tuesday, November 11, 2003, at the Park Hyatt Philadelphia at the Bellevue, 200 South Broad Street, Philadelphia, PA, for the following purposes:

1. To consider and vote on the approval of the agreement and plan of merger, dated as of May 13, 2003, by and among PREIT, PREIT Associates, L.P., a Delaware limited partnership, Crown American Realty Trust, a Maryland real estate investment trust ("Crown"), and Crown American Properties, L.P., a Delaware limited partnership, a copy of which is attached as Annex A to the accompanying joint proxy statement/prospectus, the merger of Crown with and into PREIT under the merger agreement and the related transactions.
2. To consider and vote on the approval of the proposed 2003 Equity Incentive Plan, as amended.
3. To elect Mr. John J. Roberts to the board of trustees of PREIT to serve as a Class A trustee until the 2005 annual meeting of shareholders and until his successor has been duly elected and qualified.
4. To transact any other business as may properly come before the special meeting or any adjournments or postponements.

Only holders of record of PREIT common shares at the close of business on September 25, 2003 are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements.

It is important that your common shares be represented and voted at the meeting. If you do not plan to attend the meeting and vote your common shares in person, please vote in one of these ways:

MARK, SIGN, DATE AND PROMPTLY RETURN your enclosed proxy card in the postage-paid envelope;

USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card (this call is free in the U.S. and Canada); or

VISIT THE WEBSITE address shown on your proxy card to vote through the Internet.

Any proxy may be revoked at any time before its exercise at the meeting.

By order of the PREIT board of
trustees

Bruce Goldman
*Executive Vice President, General
Counsel and Assistant Secretary*

Philadelphia, Pennsylvania
October 1, 2003

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The PREIT board of trustees has approved the merger agreement, the merger of Crown with and into PREIT and the related transactions and recommends that you vote to approve the merger agreement, the merger and the related transactions.

**PREIT
VOTING METHODS**

You have the right to vote and, if desired, to revoke your proxy at any time before the PREIT special meeting.

If you hold your PREIT common shares in your name as a holder of record, you may instruct the proxy holders how to vote your PREIT common shares by using any of the voting methods specified above. *If your PREIT common shares are held by a broker, bank or other nominee, you will receive instructions from your nominee describing how to vote your common shares. Your broker or nominee may not be permitted to exercise voting discretion with respect to some of the matters to be acted upon. Thus, if you do not give your broker or nominee specific instructions, your common shares may not be voted on these matters and will not be counted in determining the number of shares necessary for approval. Shares represented by such "broker non-votes" will, however, be counted in determining whether there is a quorum if the broker returns a properly executed proxy.*

**Crown American Realty Trust
Pasquerilla Plaza
Johnstown, Pennsylvania 15901**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON TUESDAY, NOVEMBER 11, 2003**

A special meeting of shareholders of Crown American Realty Trust, a Maryland real estate investment trust ("Crown"), will be held at 11:00 a.m., local time, on Tuesday, November 11, 2003, at The Johnstown Holiday Inn, 250 Market Street, Johnstown, PA, for the following purposes:

- 1.

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To consider and vote on the approval of the agreement and plan of merger, dated as of May 13, 2003, by and among Pennsylvania Real Estate Investment Trust, a Pennsylvania business trust ("PREIT"), PREIT Associates, L.P., a Delaware limited partnership, Crown, and Crown American Properties, L.P., a Delaware limited partnership, a copy of which is attached as Annex A to the accompanying joint proxy statement/prospectus, the merger of Crown with and into PREIT under the merger agreement and the related transactions.

2.

To transact any other business as may properly come before the special meeting or any adjournments or postponements.

Only holders of record of Crown common shares at the close of business on September 18, 2003 are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements.

It is important that your common shares be represented and voted at the meeting. If you do not plan to attend the meeting and vote your common shares in person, please vote in one of these ways:

MARK, SIGN, DATE AND PROMPTLY RETURN your enclosed proxy card in the postage-paid envelope;

USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card (this call is free in the U.S. and Canada); or

VISIT THE WEBSITE address shown on your proxy card to vote through the Internet.

Any proxy may be revoked at any time before its exercise at the meeting.

By order of the Crown board of trustees,

Ronald P. Rusinak
*Vice President, General Counsel
and Secretary*

Johnstown, Pennsylvania
October 1, 2003

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The Crown board of trustees has approved the merger agreement, the merger of Crown with and into PREIT and the related transactions and recommends that you vote to approve the merger agreement, the merger and the related transactions.

CROWN VOTING METHODS

You have the right to vote and, if desired, to revoke your proxy at any time before the Crown special meeting.

If you hold your Crown common shares in your name as a holder of record, you may instruct the proxy holders how to vote your Crown common shares by using any of the voting methods specified above. *If your Crown common shares are held by a broker, bank or other nominee, you will receive instructions from your nominee which you must follow to have your common shares voted.*

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QUESTIONS & ANSWERS ABOUT THE MERGER

Q: Why are PREIT and Crown proposing the merger?

A: The boards of both companies believe that the merger represents a strategic combination of two real estate organizations that will be in the best interests of their respective organizations and shareholders and will solidify PREIT's position as a leading shopping mall REIT in the Mid-Atlantic region. PREIT will own interests in 54 retail properties with approximately 33.4 million square feet in 14 states upon completion of the merger. The combined company is expected to have a significantly increased equity market capitalization which is expected to provide greater financial flexibility and liquidity. PREIT's board believes that PREIT can use its established franchise within the retail community, its long-standing relationship with retailers, its in-house construction and development personnel, its experienced leasing team, and its other operating strengths to create opportunities for long term growth and value-creation with respect to Crown's portfolio. To review the reasons for the merger in greater detail, please see "The Merger PREIT's Reasons for the Merger; Recommendation of the PREIT Board" beginning on page 40 and " Crown's Reasons for the Merger; Recommendation of the Crown Board" beginning on page 51.

Q: What will I receive in the merger?

A: *Crown Shareholders.* In the merger, Crown common shareholders will receive 0.3589 common shares of beneficial interest of PREIT for each outstanding common share of beneficial interest of Crown. Cash will be paid instead of issuing fractional shares. Holders of outstanding Crown 11% non-convertible, senior preferred shares will receive one newly created PREIT 11% non-convertible, senior preferred share for each outstanding Crown 11% preferred share. The PREIT 11% preferred shares issued in the merger will have preferences and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption identical in all material respects to those of the Crown 11% preferred shares.

PREIT Shareholders. PREIT shareholders will not receive any additional shares in connection with the merger. Each PREIT common share held by PREIT shareholders will continue to represent one PREIT common share after the merger.

Q: How much of the combined company's common shares will be owned by former Crown shareholders after the merger?

A: We estimate that immediately following the completion of the merger, 33.7% of the outstanding PREIT common shares will be owned by former Crown common shareholders and the remaining 66.3% will be owned by persons who were PREIT common shareholders immediately prior to the completion of the merger, in each case considered on a fully diluted and as-converted basis.

Q: What happens if the price of PREIT common shares and/or Crown common shares changes before the closing of the merger?

A: No change will be made to the 0.3589 exchange ratio for the exchange of Crown common shares for PREIT common shares in the merger. Because the market value of PREIT common shares will fluctuate before and after the closing of the merger, the value of the consideration that Crown common shareholders will receive in the merger will fluctuate as well.

Q: What am I being asked to vote on?

A: *Crown Common Shareholders:*

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You are being asked to approve the merger agreement, the merger of Crown with and into PREIT and the related transactions. Approval of the merger agreement, the merger and the related transactions requires the affirmative vote of the holders of at least a majority of the outstanding Crown common shares.

The Crown board has unanimously approved the merger agreement, the merger of Crown with and into PREIT and the related transactions and recommends that Crown common shareholders vote FOR approval of the merger agreement, the merger and the related transactions.

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PREIT

Common Shareholders:

You are being asked to approve the merger agreement, the merger of Crown with and into PREIT and the related transactions. Approval of the merger agreement, the merger and the related transactions requires the affirmative vote of at least a majority of all votes cast by all shareholders entitled to vote thereon.

You also are being asked to elect John J. Roberts as a Class A member of PREIT's board of trustees. The nominee receiving the highest number of votes cast at the special meeting will be elected as a trustee. Mr. Roberts is the only nominee for election at the PREIT special meeting.

You also are being asked to approve the PREIT 2003 equity incentive plan. Approval of the PREIT 2003 equity incentive plan requires the affirmative vote of a majority of all votes cast by shareholders entitled to vote thereon, provided that the total votes cast represents over 50% of all votes entitled to be cast.

The PREIT board has unanimously approved the merger agreement, the merger of Crown with and into PREIT and the related transactions and recommends that PREIT common shareholders vote FOR approval of the merger agreement, the merger and the related transactions. The PREIT board also recommends that PREIT common shareholders vote FOR the election of John J. Roberts as a Class A trustee and FOR the approval of the PREIT 2003 equity incentive plan.

Q: Do PREIT shareholders vote separately for the merger and on the election of John J. Roberts and on the PREIT 2003 equity incentive plan?

A: Yes, PREIT shareholders must cast votes for the merger separately from their votes on the election of John J. Roberts and on the PREIT 2003 equity incentive plan. Approval of each of the three separate proposals is not conditioned on the approval of any of the other proposals.

Q: Do Crown common or preferred shareholders have dissenters' rights?

A: No. Crown was organized under Maryland law. Under Maryland law, because Crown common shares and 11% preferred shares are each listed on a national securities exchange, Crown common and preferred shareholders have no rights to dissent and receive an appraised value of their shares in the merger.

Q: Do PREIT common shareholders have dissenters' rights?

A: No. PREIT was organized under Pennsylvania law. Under Pennsylvania law, PREIT common shareholders will have no rights to dissent and receive an appraised value of their common shares in the merger.

Q: How soon after the special meetings will the merger occur?

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A: If the merger agreement, the merger and the related transactions are approved at both the PREIT and the Crown special meetings, we anticipate that the merger will occur as soon as practicable after the special meetings.

Q: Who will manage the combined company?

A: PREIT and Crown have agreed that PREIT's existing management team will manage the operations of the combined company. PREIT also has agreed following the merger to expand its board of trustees by two members, who will be Mark E. Pasquerilla, Crown's chairman, chief executive officer and president, and Donald F. Mazziotti, a member of Crown's board of trustees. Messrs. Pasquerilla and Mazziotti will be appointed at the first regular meeting of PREIT's board of trustees following the effective time of the merger.

Q: Will I recognize taxable gain or loss as a result of the merger?

A: We expect the following tax consequences generally to apply:

Crown Shareholders: For U.S. federal income tax purposes, a Crown shareholder will not recognize any gain or loss as a result of the exchange of the Crown shares for the PREIT shares except with regard to any cash received in lieu of a fractional share. A Crown shareholder will have an aggregate tax basis in the PREIT shares received in the merger equal to the shareholder's aggregate basis in the Crown shares exchanged for the PREIT shares and the shareholder's holding period for the PREIT shares received in the exchange will

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include the holding period of the Crown shares exchanged therefor. For a description of the tax treatment of cash received for fractional shares of PREIT and other material tax consequences of the merger, see "Material Federal Income Tax Consequences Relating to the Merger" beginning on page 118.

PREIT Shareholders: For U.S. federal income tax purposes, a PREIT shareholder will not recognize either gain or loss as a result of the merger. For a description of other material tax consequences of the merger, see "Material Federal Income Tax Consequences Relating to the Merger" beginning on page 118.

Q: What dividends will Crown shareholders receive prior to closing of the merger?

A: Until the merger is completed, Crown common and preferred shareholders will continue to receive regular dividends as authorized by Crown's board of trustees in its discretion. Assuming the merger closes before December 31, 2003, Crown currently does not intend to pay any further dividends, other than the quarterly dividends declared for the period ended June 30, 2003 and the period ending September 30, 2003 and, if necessary, a final dividend in an amount equal to the minimum amount necessary to maintain Crown's REIT status under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and to avoid the payment of any corporate level tax with respect to undistributed income or gain, as required by the merger agreement. Crown currently does not anticipate that a final dividend will be necessary. If the merger closes after December 31, 2003, Crown currently intends to continue to pay regular quarterly dividends for any additional quarterly periods ending before the closing of the merger.

Q: What will my dividends be after the merger?

A: After the completion of the merger, former holders of Crown common shares will receive the distributions payable to all holders of PREIT common shares with a record date after the closing, and former Crown preferred shareholders will be entitled to receive the same cumulative distributions on their PREIT 11% preferred shares that they were entitled to as holders of Crown 11% preferred shares. Dividends on PREIT's common shares are payable at the discretion of PREIT's board. PREIT's current quarterly dividends on its common shares are \$0.51 per share. Following completion of the merger, PREIT currently intends to increase its quarterly cash dividend on its common shares to \$0.54 per share. Upon completion of the merger, Crown common and preferred shareholders will cease receiving any distributions or dividends on Crown common shares and Crown 11% preferred shares held before the merger other than any dividends declared before completion of the merger but not yet paid.

Q:
What should I do now?

A:
If you are a PREIT common shareholder or a Crown common shareholder, indicate on your proxy card how you want to vote, and sign and mail it in the enclosed envelope as soon as possible so that your shares will be represented at your special meeting.

Proposal to Approve the Merger Agreement, the Merger and the Related Transactions. If you sign and send in your proxy and do not indicate how you want to vote on the merger, your proxy will be voted in favor of the proposal to approve the merger agreement, the merger and the related transactions. For PREIT shareholders, assuming a quorum is present, if you do not sign and send in your proxy and do not vote on the merger at your special meeting, then the shares represented by your proxy will not be counted and will not affect the vote. For Crown shareholders, if you do not sign and send in your proxy and do not vote at your special meeting, or if you abstain, it will have the effect of a vote against approval of the merger agreement, the merger and the related transactions.

Election of PREIT Class A Trustee. If you are a PREIT common shareholder and if you sign and send in your proxy card and do not indicate how you want to vote on the election of a Class A trustee, your proxy will be voted for the election of John J. Roberts. Assuming a quorum is present, if you do not sign and send in your proxy and do not vote on the election of John J. Roberts at your special meeting, or if you abstain, then your shares will not be counted and will not affect the vote.

Proposal to Approve the PREIT 2003 Equity Incentive Plan. If you are a PREIT common shareholder and if you sign and send in your

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proxy and do not indicate how you want to vote on the proposal to approve the PREIT 2003 equity incentive plan, your proxy will be voted in favor of the proposal to approve the PREIT 2003 equity incentive plan. Assuming a quorum is present and assuming that the total votes cast represent over 50% of all votes entitled to be cast, if you do not sign and send in your proxy and do not vote on the PREIT 2003 equity incentive plan at your special meeting, or if you abstain, then your shares will not be counted and will not affect the vote.

You can choose to attend your special meeting and vote your shares in person instead of completing and returning a proxy card. If you do complete and return a proxy card, you may change your vote at any time up to and including the time of the vote on the day of your special meeting by following the directions beginning on page 28 for PREIT shareholders and beginning on page 31 for Crown shareholders.

You also may vote by telephone or through the Internet by following the instructions on your proxy card.

Q:
If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:
PREIT Common Shareholders:

Proposal to Approve the Merger Agreement, the Merger and the Related Transactions. Your broker may not vote your shares on the merger proposal unless you instruct your broker how to vote by following the directions your broker provides.

Election of a PREIT Class A Trustee. Your broker may vote your PREIT common shares on the election of a Class A trustee even if you do not instruct your broker how to vote.

Proposal to Approve the PREIT 2003 Equity Incentive Plan. Your broker may not vote your PREIT common shares on the proposal to approve the PREIT 2003 equity incentive plan unless you instruct your broker how to vote.

Crown Common Shareholders:

Your broker may not vote your shares on the merger proposal unless you instruct your broker how to vote by following the directions your broker provides. A failure to vote your shares will have the effect of voting against approval of the merger agreement, the merger and the related transactions.

Q:
Should I send in my stock certificates now?

A:
No. If you are a Crown shareholder, after the merger, PREIT's exchange agent will send you a letter of transmittal explaining what you must do to exchange your Crown common or 11% preferred share certificates for the merger consideration payable to you.

If you are a PREIT shareholder, you are not required to take any action regarding your PREIT common share certificates.

Q:
Who can answer my questions?

A:
PREIT Common Shareholders. PREIT common shareholders who have questions about the merger or desire additional copies of this joint proxy statement/prospectus, additional proxy cards or copies of documents incorporated by reference should contact:

Pennsylvania Real Estate Investment Trust
The Bellevue
200 S. Broad Street
Philadelphia, Pennsylvania 19102
Attention: Jean Dardzinski
(215) 875-0735

Crown Common and Preferred Shareholders. Crown common and preferred shareholders who have questions about the merger or desire additional copies of this joint proxy statement/prospectus or, with respect to Crown common shareholders, who desire additional proxy cards should contact:

Crown American Realty Trust
Pasquerilla Plaza
Johnstown, Pennsylvania 15901
Attention: Sharon Callihan
(814) 535-9420

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SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the detailed information that may be important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the other documents to which we refer, including the merger agreement. For more information about PREIT and Crown, see "Where You Can Find More Information" beginning on page 192. Each item in this summary refers to the pages where that subject is discussed more fully.

The Companies

Pennsylvania Real Estate Investment Trust

The Bellevue
200 S. Broad Street
Philadelphia, Pennsylvania 19102
(215) 875-0700

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PREIT, which is organized as a business trust under Pennsylvania law, is a fully integrated, self-administered and self-managed real estate investment trust, founded in 1960, that acquires, develops, redevelops and operates retail properties. As of June 30, 2003, PREIT owned interests in 28 retail properties with approximately 17.5 million square feet in seven states. PREIT has elected, and conducts its operations in a manner intended, to comply with the requirements for qualification as a real estate investment trust under the Real Estate Investment Trust Act of 1960, Sections 856-60 of the Internal Revenue Code.

PREIT is the sole general partner of and owns approximately a 92.4% interest in PREIT Associates, L.P., a Delaware limited partnership, which we refer to as PREIT Partnership. PREIT owns substantially all of its assets and conducts substantially all of its operations through PREIT Partnership.

Crown American Realty Trust

Pasquerilla Plaza
Johnstown, Pennsylvania 15901
(814) 536-4441

Crown, which is organized as a REIT under Maryland law, is a fully integrated, self-administered and self-managed REIT, formed in 1993, that is primarily engaged in the ownership, operation, management, leasing, acquisition, development, redevelopment, expansion, renovation and financing of enclosed shopping malls. Crown has elected, and conducts its operations in a manner intended, to comply with the requirements for qualification as a REIT under the Real Estate Investment Trust Act of 1960, Sections 856-60 of the Internal Revenue Code.

Crown is the sole general partner of and owns 100% of the preferred partner interests and approximately 85.1% of the common partner interests in Crown American Properties, L.P., a Delaware limited partnership, which we refer to as Crown Partnership. Crown owns substantially all of its assets and conducts substantially all of its operations through Crown Partnership.

The Combined Company

Pennsylvania Real Estate Investment Trust

The Bellevue
200 S. Broad Street
Philadelphia, Pennsylvania 19102
(215) 875-0700

Pursuant to the merger, Crown will be merged with and into PREIT, and the separate existence of Crown will cease. Upon completion of the merger, PREIT will remain the sole general partner of PREIT Partnership, and will own 100% of the preferred partner interests and approximately 91.9% of the common partner interests in PREIT Partnership. PREIT will not own Crown Partnership, but substantially all of the assets and liabilities of Crown Partnership will be transferred to PREIT Partnership in a series of related pre- and post-merger transactions.

PREIT will own interests in 54 retail properties with approximately 33.4 million square feet in 14 states upon completion of the merger. Approximately 82% of the gross leasable area of the portfolio will be located in the Mid-Atlantic states of Pennsylvania, New Jersey, Delaware and Maryland. Based upon a per share closing price of PREIT common shares on the New York Stock Exchange on September 30, 2003 the latest practicable date before mailing of this joint proxy statement/prospectus, the debt and equity market

capitalization of the combined company is estimated to be approximately \$3.04 billion.

The PREIT Special Meeting; Vote Required (see page 28)

The PREIT special meeting will be held at the Park Hyatt Philadelphia at the Bellevue, 200 South Broad Street, Philadelphia, PA on Tuesday, November 11, 2003 at 11:00 a.m., local time. At the PREIT special meeting, assuming a quorum is present, holders of PREIT common shares will be asked to consider and vote upon (1) a proposal to approve the merger agreement, the merger of Crown with and into PREIT and the related transactions, (2) the election of John J. Roberts as a Class A trustee and (3) a proposal to approve PREIT's 2003 equity incentive plan. The holders of a majority of the outstanding shares entitled to vote at the PREIT special meeting must be present in person or by proxy to constitute a quorum for the transaction of business at the PREIT special meeting. Abstentions and broker or nominee non-votes represented at the meeting are counted for determining whether a quorum is present.

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Approval of the proposal to approve the merger agreement, the merger and the related transactions requires the affirmative vote of the holders of at least a majority of the votes cast at the special meeting by all shareholders of PREIT entitled to vote thereon and, pursuant to PREIT Partnership's limited partnership agreement, of certain holders of units of limited partner interest in PREIT Partnership, or PREIT Partnership Units, who are entitled to vote on the merger (for this purpose, as if voting together with PREIT common shareholders as a single class). A total of 830,882 PREIT common shares, or 3.54% of the PREIT common shares entitled to vote at the PREIT special meeting, and 951,757 PREIT Partnership Units, or 68% of the PREIT Partnership Units entitled to vote on the merger, were held as of September 25, 2003 by PREIT trustees, executive officers and their affiliates.

The nominee receiving the highest number of votes of PREIT common shares at the special meeting will be elected as a Class A trustee of PREIT. Mr. Roberts is the only nominee for election at the PREIT special meeting.

Approval of PREIT's 2003 equity incentive plan requires the affirmative vote of a majority of the votes cast at the special meeting by all shareholders of PREIT entitled to vote thereon, provided that the total vote cast on the proposal represents over 50% of all votes entitled to be cast on the proposal. For purposes of this vote requirement of the New York Stock Exchange,

a majority of the outstanding PREIT common shares must vote on the proposal (holders of outstanding shares present at the PREIT special meeting for quorum purposes but who do not vote on this proposal would not be counted towards the required majority) and

votes in favor of the proposal must constitute at least a majority of the total votes cast on the proposal.

You can vote at the PREIT special meeting if you owned PREIT common shares at the close of business on September 25, 2003.

The Crown Special Meeting; Vote Required (see page 31)

The Crown special meeting will be held at the Johnstown Holiday Inn, 250 Market Street, Johnstown, PA on Tuesday, November 11, 2003 at 11:00 a.m., local time. At the Crown special meeting, assuming a quorum is present, the shareholders of Crown will be asked to consider and vote upon a proposal to approve the merger agreement, the merger of Crown with and into PREIT and the related transactions. A quorum consists of the presence, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at the Crown special meeting. The outstanding shares of Crown 11% preferred shares are not entitled to vote on the proposal to approve the merger agreement, the merger and the related transactions. Therefore, a quorum will be achieved by the presence, in person or by proxy, of a majority of the issued and outstanding Crown common shares.

Approval of the merger agreement, the merger and the related transactions requires the affirmative vote of holders of at least a majority of the issued and outstanding Crown common shares and, pursuant to Crown Partnership's limited partnership agreement, the approval of Crown Investments Trust and Crown American Investment Company, as limited partners of Crown

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Partnership. Crown Investments Trust and Crown American Investment Company have agreed to vote in favor of the merger. A total of 3,266,011 Crown common shares, or 10.04% of the Crown common shares entitled to vote at the Crown special meeting, were held as of September 18, 2003 by Crown trustees, executive officers and their affiliates.

You can vote at the Crown special meeting if you owned Crown common shares at the close of business on September 18, 2003.

Recommendation of PREIT Board (see page 40)

The PREIT board has unanimously adopted and approved the merger agreement, the merger and the related transactions, has determined that the merger and the related transactions are advisable to PREIT and recommends that PREIT shareholders entitled to vote on the merger vote FOR approval of the merger agreement, the merger and the related transactions. In reaching its recommendation in favor of the merger agreement, the merger and the related transactions, the PREIT board of trustees considered a number of positive and negative factors relating to the merger, including the following, no one of which was determinative:

Positive Factors:

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strategic opportunity to solidify PREIT's position as a leading shopping mall REIT in the Mid-Atlantic region;

value-creation opportunities and long-term growth potential using PREIT's operating strengths with respect to Crown's portfolio;

greater financial flexibility and liquidity;

relationships with tenants and vendors;

management continuity;

opportunity for efficient utilization of personnel and systems;

greater control over and predictability of the effect of the merger as a result of the fixed exchange ratio;

accretive effect in 2004;

reduction of percentage of joint venture assets to total assets;

benefits of arrangements with Mark E. Pasquerilla and his affiliates, including lower risk of certain actions by Mr. Pasquerilla and his affiliates which could be adverse to PREIT shareholders; and

opinion of Lehman Brothers Inc.

Negative Factors:

increased leverage;

potential difficulties in integrating the two companies;

risks associated with non-core properties;

risks and costs associated with obtaining required third-party consents;

risks related to assumed indebtedness;

increased retail exposure;

costs of merger;

retailer perception and anchor expirations in the Crown portfolio;

financial market perception;

risk that the merger may not be completed;

termination fee; and

interest of and arrangements with Mark E. Pasquerilla and his affiliates, including a tax protection agreement and a registration rights agreement.

To review the background and PREIT's reasons for the merger in greater detail, as well as some risks related to the merger, see "The Merger - PREIT's Reasons for the Merger; Recommendation of the PREIT Board" beginning on page 40.

The PREIT board also unanimously recommends that PREIT shareholders vote

FOR the election of John J. Roberts as a Class A trustee of PREIT; and

FOR the approval of PREIT's 2003 equity incentive plan.

Recommendation of Crown Board (see page 51)

The Crown board of trustees has unanimously adopted and approved the merger agreement, the merger and the related transactions, has

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determined that the merger agreement, the merger and the related transactions are in the best interests of Crown and its shareholders and recommends that Crown common shareholders entitled to vote on the merger vote FOR approval of the merger agreement, the merger and the related transactions. In reaching its recommendation in favor of the merger agreement, the merger and the related transactions, the Crown board of trustees considered a number of positive and negative factors relating to the merger, including the following, no one of which was determinative:

Positive Factors:

access to properties having stronger operating fundamentals and greater tenant diversification;

PREIT's experience in and perceived capability to create value in middle-market retail properties;

greater financial flexibility and liquidity;

announcement of post-merger increase in PREIT's quarterly cash dividends;

tax-free nature of the transaction;

representation on the board of trustees of the combined company;

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reduction of interest of the largest holder of Crown common shares;

absence of other substantive proposals from potential acquirors or combination partners; and

opinion of Wachovia Capital Markets, LLC.

Negative Factors:

risk that the benefits of the merger may not be realized;

potential integration difficulties;

risk that the merger may not be completed;

termination fee;

negative effect of the merger on Crown's ability to retain key employees;

possible future decreases in the value of PREIT common shares;

risk of valuation changes as a result of a fixed exchange ratio;

disproportionate representation on the board of trustees of the combined company;

lower dividends; and

expectation that a greater percentage of dividends would be taxable.

To review the background and Crown's reasons for the merger in greater detail, as well as some risks related to the merger, see "The Merger - Crown's Reasons for the Merger; Recommendation of the Crown Board" beginning on page 51.

Fairness Opinions

PREIT (see page 44)

In deciding to adopt and approve the merger agreement, the merger and the related transactions, the PREIT board considered the oral opinion, delivered May 13, 2003, of its financial advisor, Lehman Brothers Inc., that, as of that date, and based upon and subject to the factors and assumptions set forth in its written opinion of the same date, the weighted average exchange ratio of 0.3225 is fair to PREIT from a financial point of view. The "weighted average exchange ratio" is the weighted average of the exchange ratio of 0.3589 to be paid by PREIT for the Crown common shares and the exchange ratio of 0.2053 to be paid by PREIT for the Crown Partnership Units held by Crown Investments Trust and Crown American Investment Company pursuant to the merger and the related transactions. The Lehman Brothers opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Lehman Brothers in connection with its opinion, is attached as Annex B to this document. **We encourage PREIT shareholders to read this opinion carefully. This opinion does not, however, constitute a recommendation as to how any PREIT shareholder should vote with respect to the merger agreement, the merger and the related transactions.**

Crown (see page 56)

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In deciding to adopt and approve the merger agreement, the merger and the related transactions, the Crown board considered the oral opinion, delivered May 13, 2003, of its financial

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advisor, Wachovia Capital Markets, LLC, or Wachovia Securities, that, as of that date, and subject to and based upon the assumptions made, procedures followed, matters considered and limitations of the review undertaken, the consideration to be received by holders of Crown common shares pursuant to the merger agreement was fair, from a financial point of view, to such holders of Crown common shares. This opinion was later confirmed in writing as of May 13, 2003. The Wachovia Securities opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Wachovia Securities in connection with its opinion, is attached as Annex C to this document. **We encourage Crown shareholders to read this opinion carefully. This opinion does not, however, constitute a recommendation as to how any Crown shareholder should vote with respect to the merger agreement, the merger and the related tran**