

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
Form DEF 14A
April 20, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Pennsylvania Real Estate Investment Trust

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 31, 2007

The Annual Meeting of Shareholders of Pennsylvania Real Estate Investment Trust will be held on Thursday, May 31, 2007 at 11:00 a.m. at the Park Hyatt Philadelphia at The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102 for the following purposes:

- (1) To elect four trustees;
- (2) To approve the 2008 Restricted Share Plan for Non-Employee Trustees;
- (3) To ratify the selection of KPMG LLP as our independent auditor for 2007; and
- (4) To transact such other business as may properly be brought before the meeting or any adjournment thereof.

Our Board of Trustees has fixed the close of business on April 9, 2007 as the record date for the determination of shareholders entitled to notice of and to vote at the meeting.

All shareholders are cordially invited to attend the meeting. **Whether or not you expect to attend the meeting in person, please complete, sign and date the enclosed proxy and return it promptly so that your shares may be voted. You may also vote your shares by telephone or through the Internet by following the instructions set forth on the proxy card.** If you attend the meeting, you may revoke your proxy and vote in person.

By Order of the Board of Trustees

BRUCE GOLDMAN

Secretary

Philadelphia, Pennsylvania

April 20, 2007

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PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

200 South Broad Street

Philadelphia, Pennsylvania 19102

www.preit.com

PROXY STATEMENT

The Annual Meeting of Shareholders of Pennsylvania Real Estate Investment Trust, or PREIT, will be held on Thursday, May 31, 2007 at 11:00 a.m. at the Park Hyatt Philadelphia at The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102. We are mailing this Proxy Statement on or about April 20, 2007 to each holder of PREIT's issued and outstanding common shares of beneficial interest entitled to vote at the meeting in order to furnish information relating to the business to be transacted at the meeting. We are mailing our Annual Report to Shareholders for the fiscal year ended December 31, 2006 together with this Proxy Statement. We have included the Annual Report for informational purposes and not as a means of soliciting your proxy.

We have fixed the close of business on April 9, 2007 as the record date for the Annual Meeting. All holders of record of PREIT's common shares of beneficial interest at that time are entitled to notice of and are entitled to vote at the Annual Meeting and any adjournment or postponement thereof. On the record date, 37,107,855 common shares of beneficial interest were outstanding. PREIT's outstanding 11% non-convertible senior preferred shares are not entitled to vote at the Annual Meeting.

VOTING AND REVOCABILITY OF PROXIES

We hope you will attend the Annual Meeting. Whether or not you expect to attend the meeting in person, please complete, sign, date and return the enclosed proxy card in the accompanying envelope so that your shares will be represented. The envelope is addressed to our transfer agent and requires no postage. You may also vote your shares by telephone or through the Internet by following the instructions set forth on the proxy card. If you receive more than one proxy card because you have multiple accounts, you should sign and return all proxy cards received, or submit all proxy cards by telephone or by Internet, to be sure all of your shares are voted.

On each matter subject to a vote at the Annual Meeting and any adjournment or postponement of the meeting, each holder of common shares will be entitled to one vote per share. With respect to the election of trustees, assuming a quorum is present and subject to the majority voting provisions of our corporate governance guidelines, which are described below, the four nominees receiving the highest number of votes cast at the meeting will be elected trustees. With respect to the approval of the 2008 Restricted Share Plan for Non-Employee Trustees and the ratification of the selection of KPMG LLP as our independent auditor for 2007, assuming a quorum is present, each proposal will be approved if a majority of the shares present in person or by proxy and casting a vote on the proposal vote **FOR** the proposal. If you mark your proxy as **Withhold Authority** or **Abstain** on any matter, or if you give specific instructions that no vote be cast on any specific matter, the shares represented by your proxy will not be voted on that matter, but will count toward the establishment of a quorum. Proxies submitted by brokers that do not indicate a vote for some or all of the proposals because they do not have discretionary voting authority and have not received instructions as to how to vote on those proposals (so called **broker non-votes**) are also considered in determining whether a quorum is present, but will not affect the outcome of any vote.

Under the majority voting provisions of our corporate governance guidelines, any nominee for trustee who receives enough votes to be elected, but who receives a greater number of **Withhold Authority** responses regarding his or her election than votes **FOR** such election will be required to promptly tender his or her resignation to the Nominating and Governance Committee of the Board of Trustees following certification of the

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shareholder vote. The Nominating and Governance Committee and our Board of Trustees will consider and act upon such a resignation in accordance with the procedures described below under PROPOSAL ONE ELECTION OF TRUSTEES Required Vote.

You may vote your shares at the Annual Meeting in person or by proxy. All valid proxies received before the Annual Meeting will be voted according to their terms. If you complete your proxy properly, whether by completing and returning a proxy card or by submitting your instructions by telephone or by Internet, but do not provide instructions as to how to vote your shares, your proxy will be voted FOR the election of all trustees nominated by our Board of Trustees, FOR the approval of the 2008 Restricted Share Plan for Non-Employee Trustees and FOR the ratification of KPMG LLP as our independent auditor. If any other business is properly brought before the Annual Meeting, proxies will be voted in accordance with the judgment of the persons voting the proxies. After providing your proxy, you may revoke it at any time before it is voted at the Annual Meeting by filing an instrument revoking it with our secretary or by submitting a duly executed proxy bearing a later date. You also may revoke your proxy by attending the Annual Meeting and giving notice of revocation. Attendance at the Annual Meeting, by itself, will not constitute revocation of a proxy.

Some banks, brokers and other nominee record holders might be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our Proxy Statement or Annual Report may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you request one by writing or calling us as follows: Investor Relations, Pennsylvania Real Estate Investment Trust, The Bellevue, 200 South Broad Street, Philadelphia, PA 19102; Telephone: 215-875-0735. If you want to receive separate copies of the Annual Report and Proxy Statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder.

We will bear the cost of preparing and soliciting proxies, including the reasonable charges and expenses of brokerage firms or other nominees for forwarding proxy materials to shareholders. In addition to solicitation by mail, certain trustees, officers and employees of PREIT and its subsidiaries may solicit proxies personally or by telephone or other electronic means without extra compensation, with the exception of reimbursement for actual expenses incurred in connection with the solicitation. The enclosed proxy is solicited by and on behalf of our Board of Trustees.

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PROPOSAL ONE

ELECTION OF TRUSTEES

PREIT's Board of Trustees has nominated George F. Rubin, Rosemarie B. Greco, Ira M. Lubert and Edward A. Glickman, the four existing Class C trustees whose terms expire at the Annual Meeting, for re-election at the Annual Meeting as Class C trustees to serve until the Annual Meeting to be held in the spring of 2010 and until their respective successors have been duly elected and have qualified.

If any of the foregoing nominees becomes unable to or declines to serve, the persons named in the accompanying proxy have discretionary authority to vote for a substitute or substitutes, unless the Board of Trustees reduces the number of trustees to be elected.

PREIT's trust agreement provides that nominations for election to the office of trustee at any annual or special meeting of shareholders are made by the Board of Trustees, or by petition in writing delivered to our secretary not fewer than 35 days before an annual or special meeting of shareholders signed by the holders of at least two percent of the common shares outstanding on the date of the petition. Nominations not made in accordance with these procedures will not be considered, unless the number of persons properly nominated is fewer than the number of persons to be elected to the office of trustee at the meeting. In this latter event, nominations for the trustee positions that would not otherwise be filled may be made at the meeting by any person entitled to vote in the election of trustees.

PREIT's Board of Trustees currently consists of thirteen members who serve staggered, three-year terms. For more information, see *Additional Information - Board Matters*, beginning on page 45.

The following table presents information concerning the four nominees for the office of Class C trustee, the nine trustees who will continue in office after the Annual Meeting and PREIT's executive officers, including their ages, principal occupations and the number of shares beneficially owned by them as of March 31, 2007.

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Name Nominees for the Office of Trustee	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned	
				Number	Percent of Class ⁽²⁾
<i>Class C Trustees; Terms to Expire in 2010</i>					
George F. Rubin ⁽³⁾⁽⁴⁾	64	Vice Chairman of PREIT since June 2004. President and Secretary, PREIT Services, LLC and PREIT-RUBIN, Inc. from September 1997 to June 2004. Trustee, member of the executive committee and chair of the grounds and buildings committee of Lafayette College. Board Member of Elwyn Institute. Chairman of the Board of Thorncroft Therapeutic Horseback Riding, Inc. Former treasurer of the Philadelphia Vietnam Veterans Memorial Committee. Appointed by President George W. Bush to the Veterans Committee on Education.	1997	550,805 ⁽⁵⁾	1.5%
Rosemarie B. Greco ⁽³⁾	61	Director, Office of Health Care Reform, Commonwealth of Pennsylvania. Founding Principal, Grecoventures Ltd. (business investment and consulting partnership). Former CEO and President, CoreStates Bank, N.A. and President, CoreStates Financial Corp. Currently director of Exelon Corporation and Sunoco, Inc. and trustee of SEI I Mutual Funds. Trustee of the University of Pennsylvania School of Nursing. Former corporate director of General Accident Insurance (USA), Cardone Industries, Inc., Genuardi s Family Markets, Inc. and Radian, Inc.; former chair of the Greater Philadelphia Chamber of Commerce, former President and CEO of Philadelphia Private Industry Council; former member of Philadelphia Planning Commission and Board of Education; former chair of Pennsylvania Workforce Investment Board.	1997	13,000 ⁽⁶⁾	*

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned	
				Number	Class ⁽²⁾ Percent of
Ira M. Lubert	57	Chairman of Lubert-Adler Partners, L.P., a company specializing in private equity investments in real estate and other entrepreneurial opportunities. Co-founder and managing partner of LLR Equity Partners, L.P., a venture fund making private equity investments in mid-Atlantic growth companies and middle market special opportunity situations. Chairman of GF Management, a company that specializes in the ownership and management of underperforming hospitality properties. Co-founder of LEM Mezzanine Fund, a fund making mortgage loans, and Quaker Bio Venture, a private equity fund engaged in making health care and life science investments.	2001	11,000 ⁽⁷⁾	*
Edward A. Glickman	49	President and Chief Operating Officer of PREIT since June 2004. Executive Vice President and Chief Financial Officer of PREIT from September 1997 to June 2004. Director of the Bala Cynwyd Library. Adjunct Professor of Finance, Stern School of Business, New York University.	2004	254,570 ⁽⁸⁾	*

Trustees Whose Terms**Continue***Class A Trustees; Terms to Expire in 2008*

John J. Roberts	62	Former Global Managing Partner and member of Leadership Team, PricewaterhouseCoopers LLP, completing a 35 year career with the firm in 2002. Director, Armstrong World Industries, Inc., Safeguard Scientifics, Inc. and Vonage Holdings Corp. Member of American Institute of CPAs. Former director of SICOR, Inc., Philadelphia First Corporation, Greater Philadelphia Chamber of Commerce, Urban Affairs Partnership and University City Science Center. Former member of advisory board of the Kellogg School and the University of Southern California School of Accounting. Former trustee of Drexel University.	2003	7,750 ⁽⁹⁾	*
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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned	
				Number	on March 31, 2007 ⁽¹⁾ Percent of Class ⁽²⁾
Lee H. Javitch	76	Private investor and former Chairman and Chief Executive Officer, Giant Food Stores, Inc. Director of Jewish Theological Seminary of America. Former chairman of MAZON: A Jewish Response to Hunger and CLAL, Jewish foundation for learning. Former director of Pennsylvania Council on the Arts. Former executive committee member of Boy Scouts of America and Rye Country Day School.	1985	19,000 ⁽¹⁰⁾	*
Mark E. Pasquerilla ⁽¹¹⁾	47	President of Pasquerilla Enterprises, LP since December 2006. Officer and director of Crown American Enterprises, Inc. since 1992. President and Chairman of Crown Holding Company and its various subsidiaries and affiliates from April 1999 to December 2006. President and Vice Chairman of Crown Holding Company and its various subsidiaries from 1993 to April 1999. Chairman of the Board of Trustees and Chief Executive Officer of Crown American Realty Trust from April 1999 to November 2003. Vice Chairman of Crown American Realty Trust from September 1998 to April 1999. President of the Crown American Realty Trust from 1993 to November 2003. Director of AmeriServ Financial, Inc., AmeriServ Financial Bank, AmeriServ Life Insurance Company, and AmeriServ Associates, Inc. since 2001. Board member of Concurrent Technologies Corporation, a charitable organization, since 1990. Board member of Community Foundation for the Alleghenies since 1991. Board member of United Way of the Laurel Highlands since 2002. Advisory board member of University of Pittsburgh at Johnstown since 1988.	2003	1,790,133 ⁽¹²⁾	4.6%
Joseph F. Coradino	55	President of PREIT Services, LLC and PREIT-RUBIN, Inc. since June 2004. Executive Vice President Retail of PREIT since December 2001. Executive Vice President Retail Division and Treasurer, PREIT-RUBIN, Inc., from November 1998 to June 2004. From September 1997 to November 1998, Senior Vice President Retail Division and Treasurer, PREIT-RUBIN, Inc. Director of A.C. Moore Arts & Crafts, Inc. since June 2006. Trustee of Chestnut Hill College and the YMCA of Greater Philadelphia.	2006	151,736 ⁽¹³⁾	*

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned	
				on March 31, 2007 ⁽¹⁾ Number	Percent of Class ⁽²⁾
<i>Class B Trustees; Terms to Expire in 2009</i>					
Ronald Rubin ⁽³⁾⁽⁴⁾	75	Chairman of PREIT since October 2001. Chief Executive Officer of PREIT since September 1997. Chairman and Chief Executive Officer of The Rubin Organization, Inc. (renamed PREIT-RUBIN, Inc. upon acquisition by PREIT in September 1997) from 1992 to September 1997. Trustee of International Council of Shopping Centers. Director of Exelon Corporation. Past Chairman of Center City District and past Chairman of the Greater Philadelphia Chamber of Commerce. Director of the Regional Performing Arts Center. Past President of Jewish Federation of Greater Philadelphia. Served on boards of Franklin Institute, Philadelphia Orchestra, Albert Einstein Medical Center, Tel Aviv University, American Friends of Hebrew University, Midlantic Bank (now PNC), University of the Arts and the United Jewish Appeal.	1997	1,372,280 ⁽¹⁴⁾	3.6%
Leonard I. Korman	71	Chairman and Chief Executive Officer, Korman Commercial Properties, Inc. (real estate development and management). Partner of The Korman Company, trustee of Albert Einstein Health Care Network and Thomas Jefferson University. Former director or trustee of CoreStates Bank N.A., Regional Advisory Board of First Union National Bank, Pennsylvania Academy of Fine Arts and Jewish Federation of Greater Philadelphia.	1996	391,455 ⁽¹⁵⁾	1.1%
Donald F. Mazziotti ⁽¹¹⁾	61	Senior Vice President, Urban and Mixed Use Development, Harsch Investment Properties, Portland, Oregon, since 2006. Founder and principal, Development Equities & Advisories, LLC (real estate development and consulting) since September 2005. Chief Executive Officer, Portland Development Commission, 2001 to 2005. Chief Information Officer, State of Oregon, 1998 to 2000. Chairman of Delta Development Group, Inc. (government relations, economic planning and management consulting) from 1995 to 1997. Chief Executive Officer of Delta Development Group, Inc. from 1988 to 1998. Deputy Assistant Secretary of Transportation, USDOT, 1978 to 1981. Member of Crown American Realty Trust Board of Trustees from 1993 to November 2003.	2003	9,014 ⁽¹⁶⁾	*

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned	
				Number	Percent of Class ⁽²⁾
Stephen B. Cohen	61	Professor of Law, Georgetown University. Has also taught at Harvard University, Stanford University, the University of Wisconsin and at University of Capetown (South Africa). Served as Corporate Secretary and Board Member of the Southern Africa Development Fund from 1994 to 2002 and as Deputy Assistant Secretary of State from 1978 to 1980.	2004	475,530 ⁽¹⁷⁾	1.3%
M. Walter D Alessio	72	Vice Chairman of NorthMarq Capital, a Minneapolis-based real estate investment banking firm with an office in Philadelphia, and President of NorthMarq Advisors, a real estate consultancy, since October 2003. Non-executive Chairman of the Board of Brandywine Realty Trust (office and industrial real estate development and management), headquartered in Radnor, Pennsylvania, since March 2004. Serves on the boards of directors of Exelon Corporation, Independence Blue Cross, Point Five Technologies, Inc. and the Greater Philadelphia Chamber of Commerce. From 1982 to September 2003, served as Chairman and Chief Executive Officer of Legg Mason Real Estate Services, Inc., a commercial mortgage, banking and pension fund advisory firm headquartered in Philadelphia.	2005	4,107 ⁽¹⁸⁾	*

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned	
				Number	on March 31, 2007 ⁽¹⁾ Percent of Class ⁽²⁾
Non-Trustee Executive					
Officers					
Douglas S. Grayson	48	Executive Vice President Development of PREIT since March 2002. Executive Vice President Development of PREIT-RUBIN, Inc. from October 1998 to March 2002. From September 1997 to September 1998, Vice President of PREIT-RUBIN, Inc.		52,954 ⁽¹⁹⁾	*
Jeffrey A. Linn	58	Executive Vice President Acquisitions of PREIT since December 2001. From 1995 to December 2001, Senior Vice President Acquisitions of PREIT. Secretary of PREIT from 1995 to 2005.		58,665 ⁽²⁰⁾	*
Bruce Goldman	48	Executive Vice President General Counsel of PREIT since December 2002, and Secretary of PREIT since December 2005. From December 2001 to November 2002, Senior Vice President General Counsel of PREIT. From September 2000 to December 2001, Senior Vice President Legal of PREIT. From 1997 to 2000, Vice President of New City Development, the development subsidiary of Mirage Resorts, Inc.		27,014 ⁽²¹⁾	*
Robert F. McCadden	49	Executive Vice President and Chief Financial Officer of PREIT since May 2004. From 2002 to May 2004, Partner of KPMG LLP. From 1993 to 2002, Partner of Arthur Andersen LLP.		56,812 ⁽²²⁾	*
Jonathen Bell	39	Senior Vice President of PREIT since February 2007. Chief Accounting Officer of PREIT since February 2006. Vice President Financial Services of PREIT from September 1999 to February 2007. From November 2003 to February 2006, Corporate Controller of PREIT. From July 1997 to September 1999, controller of Washington REIT in Washington, D.C.		15,745 ⁽²³⁾	*
All Trustees and executive officers as a group (20 persons)				5,295,503 ⁽²⁴⁾	13.0%

* Less than one percent.

(1) Unless otherwise indicated in the following footnotes, each trustee and executive officer has sole voting and investment power with respect to all such shares.

(2) Based on 37,107,497 common shares of beneficial interest outstanding as of March 31, 2007.

(3) In accordance with an agreement that PREIT entered into in connection with its 1997 acquisition of The Rubin Organization, Inc., the Board of Trustees of PREIT elected Ronald Rubin, George F. Rubin and

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- Rosemarie B. Greco as trustees of PREIT in 1997 to fill the vacancies created by the resignations of three former trustees. Ronald Rubin and George F. Rubin are brothers.
- (4) The employment agreements between PREIT and each of Ronald Rubin and George F. Rubin provide that, during the term of their respective employment agreements, the Board of Trustees shall nominate Ronald Rubin and George F. Rubin, respectively, as a candidate for election to the Board of Trustees at each annual meeting at which his term as a trustee is scheduled to expire.
- (5) Includes 82,729 shares that George Rubin owns directly, 433,841 Class A units of limited partnership interest in PREIT Associates, L.P. (86,934 of which are held by the Non-QTIP Marital Trust under the Will of Richard I. Rubin of which Ronald Rubin and George Rubin are beneficiaries) that are redeemable for cash or, at PREIT's option, for a like number of shares, 25,000 shares subject to exercisable options and 7,835 shares held by a trust of which George Rubin is a trustee. Also includes 900 shares held by a trust, the beneficiary of which is George Rubin's daughter and 500 shares held by George Rubin's spouse, as to both of which George Rubin disclaims beneficial ownership. Excludes 5,227 Class A units held by Pan American Office Investments, L.P. George Rubin holds limited partnership interests in Pan American Office Investments, L.P.
- (6) Includes 6,000 shares that Ms. Greco owns directly and 7,000 shares subject to exercisable options.
- (7) Includes 6,000 shares that Mr. Lubert owns directly and 5,000 shares subject to exercisable options.
- (8) Includes 82,862 shares that Mr. Glickman owns directly, 56,708 Class A units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares, and 115,000 shares subject to exercisable options.
- (9) Includes 4,000 shares that Mr. Roberts owns directly and 3,750 shares subject to options that are exercisable or become exercisable within 60 days of March 31, 2007.
- (10) Includes 12,000 shares that Mr. Javitch owns directly and 7,000 shares subject to exercisable options.
- (11) In accordance with the merger agreement between PREIT and Crown American Realty Trust, PREIT expanded the size of its Board of Trustees by two in December 2003 and elected Messrs. Pasquerilla and Mazziotti, who were members of Crown's board at the time of the merger, to fill the vacancies created by the expansion.
- (12) Includes 15,961 shares that Mr. Pasquerilla owns directly, 3,750 shares subject to exercisable options, 65,211 shares held by Marenrico Partnership and 1,705,211 Class B units of limited partnership interest in PREIT Associates, L.P. that are held by Crown American Properties, L.P. and subject to a call option in favor of Pasquerilla Enterprises, L.P., an entity controlled by Mr. Pasquerilla. A total of 929,978 of these Class B units are pledged as collateral to First Commonwealth Bank and a total of 775,233 of these Class B units are pledged as collateral to Pasquerilla Enterprises, L.P. Class B units are redeemable for cash or, at PREIT's option, for a like number of shares. Excludes 1,250 shares subject to options that become exercisable on December 11, 2007.
- (13) Includes 46,847 shares that Mr. Coradino owns directly, 40,000 Class A units of limited partnership interest in PREIT Associates, L.P. held by a grantor retained annuity trust of which Mr. Coradino is a beneficiary and 64,889 Class A units of limited partnership interest held by Mr. Coradino's spouse. Class A units are redeemable for cash or, at PREIT's option, for a like number of shares. Mr. Coradino disclaims beneficial ownership of the Class A units held by his spouse.

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- (14) Includes 178,121 shares that Ronald Rubin owns directly, 1,031,097 Class A units of limited partnership interest in PREIT Associates, L.P. (86,934 of which are held by the Non-QTIP Marital Trust under the Will

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- of Richard I. Rubin of which Ronald Rubin and George Rubin are beneficiaries and 2,776 of which are owned by a corporation of which Ronald Rubin is the sole shareholder) that are redeemable for cash or, at PREIT's option, for a like number of shares, 150,000 shares subject to exercisable options and 7,835 shares held by a trust of which Ronald Rubin is a trustee. Also includes 5,227 Class A units held by Pan American Office Investments, L.P. Ronald Rubin controls and holds substantial ownership interests in Pan American Office Investments, L.P.
- (15) Includes 251,088 shares that Mr. Korman owns directly, 420 shares owned by Mr. Korman's spouse, 114,619 shares held in trusts of which Mr. Korman is a co-trustee, 19,328 shares held in trusts of which Mr. Korman is a co-trustee and the sole beneficiary and 6,000 shares subject to exercisable options. Mr. Korman disclaims beneficial ownership of the 114,619 shares held in trusts of which Mr. Korman is a co-trustee and the 420 shares owned by Mr. Korman's spouse.
- (16) Includes 5,264 shares that Mr. Mazziotti owns directly and 3,750 shares subject to exercisable options. Excludes 1,250 shares subject to options that become exercisable on December 11, 2007.
- (17) Includes 38,317 shares that Mr. Cohen owns directly, 37,056 shares owned by an Indenture of Trust of which Mr. Cohen is a beneficiary, 243,944 shares held under the Deed of Trust of Sylvan M. Cohen of which Mr. Cohen is a future beneficiary, 153,713 shares owned by the Sylvan M. Cohen Charitable Remainder Trust of which Mr. Cohen is a trustee and 2,500 shares subject to exercisable options. Mr. Cohen has shared voting and investment power with respect to the 153,713 shares owned by the Sylvan M. Cohen Charitable Remainder Trust. Excludes 2,500 shares subject to options that become exercisable in two equal annual installments of 1,250 shares beginning on July 29, 2007.
- (18) Includes 2,857 shares that Mr. D'Alessio owns directly and 1,250 shares subject to exercisable options. Excludes 3,750 shares subject to options that become exercisable in three equal annual installments of 1,250 shares beginning on December 15, 2007.
- (19) Includes 29,037 shares that Mr. Grayson owns directly and 23,917 Class A units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares.
- (20) Mr. Linn directly owns all 58,665 shares.
- (21) Mr. Goldman directly owns all 27,014 shares.
- (22) Mr. McCadden directly owns all 56,812 shares.
- (23) Mr. Bell directly owns all 15,745 shares.
- (24) Includes 1,691,547 shares held directly, 330,000 shares subject to exercisable options and an aggregate of 3,273,956 Class A and Class B units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares. In certain instances, two trustees beneficially own the same shares because they share voting or investment power over the shares. These shares have been counted only once in this total. Includes shares owned by Jonathan B. Weller, who retired as an executive officer of PREIT on April 15, 2006. Includes 128,702 shares that Mr. Weller owns as of March 31, 2007.

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Required Vote

With respect to the election of trustees, assuming a quorum is present and subject to the majority voting provisions of our corporate governance guidelines described below, the four nominees receiving the highest number of votes cast at the Annual Meeting will be elected trustees. If you mark your proxy as **Withhold Authority** in the election of any of the trustees, or if you give specific instructions that no vote be cast in the election of any of the trustees, the shares represented by your proxy will not be voted in the election of such trustee(s), but will count toward the establishment of a quorum. Under the terms of the account agreement between you and your broker, your broker may be permitted to vote your shares in the election of trustees even if you do not instruct your broker how to vote.

Pursuant to PREIT's corporate governance guidelines, if any nominee for trustee receives a greater number of **Withhold Authority** responses regarding his or her election than votes **FOR** his or her election, that nominee will be required to promptly tender his or her resignation to the Nominating and Governance Committee of the Board of Trustees following certification of the shareholder vote. The Nominating and Governance Committee of the Board of Trustees will consider the resignation offer and recommend to the Board of Trustees whether or not to accept it. The Board of Trustees will act on the Nominating and Governance Committee's recommendation within 90 days following certification of the shareholder vote. Thereafter, the Board of Trustees will promptly disclose its decision whether to accept the trustee's resignation offer (and, if applicable, the reasons for rejecting the resignation offer) in a press release to be disseminated in the manner that PREIT's press releases typically are distributed or by other means of public disclosure.

Any trustee tendering his or her resignation pursuant to the procedures described above will not participate in the Nominating and Governance Committee recommendation or any other action of the Board of Trustees regarding whether to accept the resignation offer. If each member of the Nominating and Governance Committee received a majority of votes marked **Withhold Authority** at the same election, then the independent members of our Board of Trustees who did not receive a majority of votes marked **Withhold Authority** will appoint a committee amongst themselves (which may consist of some or all of them) to consider the resignation offers and recommend to the Board of Trustees whether to accept them.

Board Recommendation

Our Board of Trustees recommends that shareholders vote **FOR** the election of each of the nominees for trustee.

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PROPOSAL TWO

APPROVAL OF 2008 RESTRICTED SHARE PLAN FOR NON-EMPLOYEE TRUSTEES

PREIT's Board of Trustees believes that it is in the interests of PREIT and its shareholders that a portion of the compensation paid to members of the Board of Trustees be paid in the form of equity. Equity compensation serves as an incentive to the members of the Board of Trustees and further aligns their interests with those of PREIT's shareholders. PREIT currently has a Restricted Share Plan for Non-Employee Trustees that was approved in 2002. At that time, 50,000 shares were reserved for issuance under the plan. The current Restricted Share Plan for Non-Employee Trustees provides for an automatic grant of 1,000 shares to each non-employee trustee on January 31 of each year and has 6,000 shares that remain available for issuance. Given the current number of non-employee trustees, there will be an insufficient number of shares available to make an automatic grant of 1,000 restricted shares to each non-employee trustee on January 31, 2008.

Accordingly, the Board of Trustees has approved, subject to shareholder approval, the adoption of the 2008 Restricted Share Plan for Non-Employee Trustees (the 2008 Plan). If approved, the 2008 Plan will replace the existing plan and no further grants will be made under the existing plan.

The 2008 Plan has many of the same terms as the current Restricted Share Plan for Non-Employee Trustees. Below is a brief summary of the terms of the 2008 Plan, which is qualified in its entirety by reference to the 2008 Plan attached as Appendix A to this proxy statement.

Administration

The 2008 Plan will be administered by the Compensation Committee of PREIT's Board of Trustees. The Compensation Committee will have the authority to adopt, amend and rescind rules and regulations relating to the administration of the 2008 Plan. The Compensation Committee will also have the authority to interpret the 2008 Plan and decide any questions arising in connection with the 2008 Plan.

Effective Date

The 2008 Plan will be effective January 1, 2008, provided the requisite approval of shareholders is obtained at the 2008 Annual Meeting.

Shares Subject to the Plan

The Board