

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.*

TABLE OF CONTENTS

	Page
TABLE OF CONTENTS	i
QUESTIONS & ANSWERS ABOUT THE MERGER	iv
SUMMARY	1
The Companies	1
The Combined Company	1
The PREIT Special Meeting: Vote Required	2
The Crown Special Meeting: Vote Required	2
Recommendation of PREIT Board	3
Recommendation of Crown Board	3
Fairness Opinions	4
Risks Associated with the Merger	5
The Merger Agreement	5
Structure Diagrams	8
Regulatory Approvals	11
No Dissenters' Rights	11
Accounting Treatment	11
Material Tax Consequences of the Merger	11
Trustees and Executive Officers of PREIT after the Merger	11
Interests of Trustees and Officers of Crown and PREIT in the Merger	11
Crown and PREIT Voting Agreements	13
Comparative Per Share Market Price	13
Differences in the Rights of Shareholders	14

	Page
Summary Historical Consolidated Financial Data	15
Summary Unaudited Pro Forma Condensed Combined Financial Data	18
RISK FACTORS	19
<i>Crown common shareholders may receive PREIT common shares in the merger with a market value lower or higher than expected</i>	19
<i>The operations of PREIT and Crown may not be integrated successfully and intended benefits of the merger may not be realized, which could materially harm the combined company's operating results and financial condition</i>	19
<i>PREIT's operating performance may be adversely affected following the merger if PREIT chooses not to sell specified assets acquired in the merger</i>	20
<i>Crown's outstanding debt obligations could materially adversely affect PREIT's future financial condition and operating results</i>	20
<i>If the merger does not qualify as a tax free reorganization, Crown shareholders may recognize taxable gain</i>	21
<i>The merger will result in reductions in distributions per share for Crown common shareholders after the merger</i>	21
<i>The trustees and executive officers of Crown, including Mark E. Pasquerilla, have interests in the completion of the merger that may conflict with the interests of the securityholders of Crown</i>	22
<i>PREIT or Crown may incur substantial expenses and payments if the merger does not occur, which could materially harm their financial condition and discourage other potential acquirors of Crown which might otherwise be desirable to their shareholders</i>	22
<i>After the merger, Mr. Pasquerilla will exercise influence over PREIT and may delay, defer or prevent PREIT from taking certain actions that would be beneficial to its shareholders</i>	23
<i>PREIT could be disqualified as a REIT or have to pay taxes if Crown does not qualify as a REIT at the time of the merger</i>	23
<i>Recent change in taxation of corporate dividends may adversely affect the value of PREIT's shares</i>	23
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	25
RATIO OF COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS TO EARNINGS	26
PREIT RECENT DEVELOPMENTS	27
Equity Offering	27
Willow Grove Acquisition	27
IKEA Transaction	27
Multifamily Portfolio Disposition	27
THE PREIT SPECIAL MEETING	28
Date, Time, Place and Purpose of PREIT Special Meeting	28
Record Date; Shares Entitled to Vote and Quorum Requirements	28
Vote Required	28
Voting and Revocability of Proxies	29
Voting Agreements	30
Voting on Other Matters	30
Costs of this Proxy Solicitation	30
THE CROWN SPECIAL MEETING	31
Date, Time, Place and Purpose of Crown Special Meeting	31
Record Date; Shares Entitled to Vote and Quorum Requirement	31
Vote Required	31
Voting and Revocability of Proxies	31
Voting Agreements	32
Voting on Other Matters	32
Costs of this Proxy Solicitation	32
Annual Meeting	32
THE MERGER	33

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	Page
Structure of the Merger	33
Background of the Merger	34
PREIT's Reasons for the Merger; Recommendation of the PREIT Board	40
Opinion of Lehman Brothers Inc.	44
Crown's Reasons for the Merger; Recommendation of the Crown Board	51
i	
<hr style="border: 1px solid black;"/>	
Opinion of Wachovia Securities	56
Trustees and Executive Officers of PREIT After the Merger	64
Interests of Trustees and Executive Officers of Crown and PREIT in the Merger	65
Listing of New PREIT Common Shares and 11% Preferred Shares	69
The Pre-Merger Distribution	69
The Crown Partnership Contribution	70
The PREIT Contribution	70
Palmer Park Mall Venture Arrangements	70
Accounting Treatment	70
Regulatory Matters	70
No Dissenters' Rights	70
Resale of New PREIT Common Shares and 11% Preferred Shares	71
THE MERGER AGREEMENT	72
The Merger Agreement	72
The Merger	72
Closing; Effective Time of Merger	72
Merger Consideration	72
Surrender of Crown Certificates	73
Treatment of Crown Options	73
Arrangements with Respect to Crown Employees	74
Board of Trustees of PREIT	75
Representations and Warranties of PREIT and Crown	75
Conduct of Business of Crown and Crown Partnership Pending the Merger	76
Conduct of Business of PREIT and PREIT Partnership Pending the Merger	80
No Solicitation by Crown	83
Pre-Merger Dividends and Distributions	86
The Pre-Merger Transactions	87
The Post-Merger Transactions	87
Conditions to the Merger	88
Termination of the Merger Agreement	91
Waiver and Amendment of the Merger Agreement	101
Indemnification; Directors' and Officers' Insurance	101
Assumption of Crown's Obligations under Registration Rights Agreements	102
Agreements with Mark E. Pasquerilla and Affiliates	102
The Agreement of Exchange	102
Sale of Oak Ridge and Amendment to Crown Partnership Agreement and Support Agreement	102
The Distribution Agreement	103
The Contribution Agreements	104

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The PREIT and Crown Voting Agreements	105
AGREEMENTS WITH MARK E. PASQUERILLA AND AFFILIATES	109
The Shareholder Agreement	109
The Tax Protection Agreement	110
The Indemnification Agreement	112
The Non-Competition Agreement	113
The Standstill Agreement	114
The Registration Rights Agreement	115
COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION	117
MATERIAL FEDERAL INCOME TAX CONSEQUENCES RELATING TO THE MERGER	118
MATERIAL FEDERAL INCOME TAX CONSEQUENCES RELATING TO THE PRE- MERGER DIVIDEND	122
FEDERAL INCOME TAX CONSIDERATIONS TO PREIT SHAREHOLDERS	123
Taxation of PREIT	123
Income Taxation of PREIT Partnership, the Title Holding Partnerships and their Partners	129
Taxation of Shareholders	131
Backup Withholding Tax and Information Reporting	136
Sunset of Tax Provisions	137
Other Tax Considerations	138
Tax Shelter Reporting	138
DESCRIPTION OF PREIT SHARES OF BENEFICIAL INTEREST	139
Authorized Capital Stock	139
Shares of Beneficial Interest	139
New 11% Preferred Shares	140
PREIT Shareholder Rights Plan	144
Transfer Agent and Registrar	145
Limited Liability of Shareholders	145
Summary of the Operating Partnership Agreement and PREIT Partnership Units	146
REIT Ownership Limitations and Transfer Restrictions Applicable to PREIT Shares of Beneficial Interest and 11% Preferred Shares	148
Certain Provisions Affecting a Change in Control	149
COMPARISON OF SHAREHOLDER RIGHTS	151
Authorized Shares	151
Voting Rights	152
Classification of Board	153
Number of Trustees; Removal of Trustees; Vacancies	153
Limitations of Trustee and Officer Liability	154
Indemnification	155
Duties of Trustees	158
Call of Special Meetings of Shareholders	159
Advance Notice Provisions for Shareholder Nominations and Shareholder Business Proposals	159
Amendments to PREIT Trust Agreement and Crown Declaration of Trust	159
Amendment of the By-laws	161
Dissolution of PREIT or Crown; Termination of REIT Status	161
Mergers, Consolidations and Sales of Assets	161
Business Combinations with Interested Shareholders	163
Control Share Acquisitions	164

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Other Constituencies	164
ii	
<hr/>	
Dissenters' Rights	165
Distributions	165
Ownership Limitations	165
Shareholder Rights Plans	167
ELECTION OF CLASS A TRUSTEE	168
Required Vote	171
Board Recommendation	171
Summary Compensation Table	172
Employment Agreements	173
Stock Options	175
Equity Compensation Plans	176
2002-2004 Long Term Incentive Plan Awards in 2002	176
Transactions with Management	178
Board Matters	182
Section 16(a) Beneficial Ownership Reporting Compliance	183
Report of Executive Compensation and Human Resources Committee on Executive Compensation	183
Performance Graph	185
PREIT'S 2003 EQUITY INCENTIVE PLAN	186
Eligible Participants; Maximum Number of Shares	186
Types of Awards	187
Transferability	188
Treatment of Awards upon Termination of Employment or Service	188
Adjustments in Shares; Certain Corporate Transactions	189
Withholding Requirements	189
Discontinuance, Cancellations, Amendment and Termination	189
Market Value	190
Federal Income Tax Treatment of Options	190
Required Vote	190
Filing of Registration Statement for Shares	190
Board Recommendation	190
LEGAL MATTERS	191
EXPERTS	191
SHAREHOLDER PROPOSALS	192
OTHER MATTERS	192
WHERE YOU CAN FIND MORE INFORMATION	192
WHAT INFORMATION YOU SHOULD RELY ON	194
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	F-1
Annex A Agreement and Plan of Merger	A-1
Annex B Opinion of Lehman Brothers, dated May 13, 2003	B-1
Annex C Opinion of Wachovia Securities, dated May 13, 2003	C-1
Annex D PREIT's 2003 Equity Incentive Plan and Amendment No. 1 thereto	D-1
Annex E Crown Partnership Distribution Agreement	E-1
Annex F Crown Partnership Contribution Agreement	F-1
Annex G PREIT Contribution Agreement	G-1

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.

iv

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

v

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

vi

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

vii

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

2

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

3

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

4

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 transactions.**

Risks Associated with the Merger (see page 19)

The boards of trustees of PREIT and Crown believe that the merger is in the best interests of their respective shareholders. There are, however, risks associated with the merger that you should consider in deciding how to vote. These risks include, among others:

the fact that the value of the PREIT common shares Crown shareholders will receive in the merger will fluctuate during the period before the merger;

the potential inability of PREIT to integrate successfully Crown's portfolio and its recent purchase of six shopping malls from The Rouse Company and to realize the intended benefits of the merger and the shopping mall purchase;

the potential adverse effect on PREIT's operating performance following the merger if PREIT chooses not to sell certain assets acquired from Crown in the merger;

the fact that Crown's outstanding debt obligations will increase PREIT's leverage and affect PREIT's future financial condition and operating results;

the fact that the trustees and executive officers of Crown may have interests in, and will receive benefits from, the merger that are different from, or in addition to, and, therefore may conflict with, the interests of the Crown shareholders in the merger;

the fact that PREIT and Crown have already incurred substantial expenses in connection with the merger, and may incur additional expenses if the merger is not completed;

the fact that Crown or PREIT may be required to pay a termination fee of \$20 million under specified circumstances; and

the fact that PREIT or Crown may be required to reimburse either \$7 million or \$3.5 million of the other party's expenses if the merger agreement is terminated under specified circumstances.

The Merger Agreement (see page 72)

The merger agreement is attached as Annex A to this document. We urge you to read the merger agreement because it is the legal document that governs the merger.

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The merger agreement contemplates the merger of Crown with and into PREIT, subject to the satisfaction of specified conditions. Following the merger, Crown will cease to exist. In the merger, holders of Crown common shares will receive, for each Crown common share issued and outstanding immediately prior to the merger, 0.3589 PREIT common shares. Holders of Crown 11% preferred shares will receive for each share issued and outstanding immediately before the merger, one PREIT 11% preferred share, which is identical in all material respects to the Crown 11% preferred shares.

Crown Partnership will not be acquired by PREIT as part of the merger. However, substantially all of the assets and liabilities of Crown Partnership will be conveyed to PREIT Partnership through a series of related pre- and post-merger transactions, as described below.

The Pre-Merger Distribution (see page 69)

The merger agreement contemplates that one business day prior to the merger, pursuant to a distribution agreement between Crown and Crown

5

Partnership, among other things, subject to the satisfaction of specified conditions, Crown Partnership will distribute to Crown, in complete liquidation of all of Crown's partnership interests in Crown Partnership, Crown's proportionate interest in all of Crown Partnership's assets and substantially all of Crown Partnership's liabilities. *The distribution agreement is attached as Annex E to this document. We urge you to read this agreement.*

The Contributions (see page 70)

The merger agreement contemplates that, immediately following the effective time of the merger,

- (i) pursuant to a contribution agreement between PREIT Partnership and Crown Partnership, Crown Partnership will, subject to the satisfaction of specified conditions, contribute to PREIT Partnership all of the assets held by Crown Partnership immediately following the merger, which will consist of those assets not distributed to Crown as part of the pre-merger distribution, and which will exclude a portion of Crown Partnership's interest in two partnerships that own 14 shopping malls, and PREIT Partnership will assume substantially all of Crown Partnership's liabilities and will issue to Crown Partnership PREIT Partnership Units, as described below, and
- (ii) pursuant to a contribution agreement between PREIT and PREIT Partnership, PREIT will, subject to the satisfaction of specified conditions, contribute to PREIT Partnership substantially all of the assets of Crown Partnership distributed to Crown as part of the pre-merger distribution and acquired by PREIT from Crown in the merger, and PREIT Partnership will assume all of the liabilities of Crown Partnership assumed by Crown as part of the pre-merger distribution and transferred to PREIT in the merger and will issue PREIT Partnership Units to PREIT.

As part of the post-merger contributions, subject to the satisfaction of specified conditions, Crown Partnership will receive, for each outstanding Crown Partnership Unit immediately following the pre-merger distribution, approximately 0.2053 PREIT Partnership Units.

The excluded portion of Crown's interest in two partnerships is subject to a put-call arrangement between Crown Partnership and PREIT Partnership after the merger. Under that put-call arrangement, PREIT Partnership will have the right to require Crown Partnership to contribute the excluded interests to PREIT Partnership following the 36th month after the closing of the merger and Crown Partnership will have the right to contribute the excluded interests to PREIT Partnership following the 40th month after the closing of the merger.

The contribution agreements are attached as Annexes F and G to this document. We urge you to read these agreements.

Conditions to the Merger (see page 88)

Prior to the pre-merger distribution and the merger, a number of conditions must be satisfied. These include:

the approval of the merger agreement and the transactions contemplated by the merger agreement by PREIT common shareholders and by Crown common shareholders;

the approval of the merger by a specified number of affirmative votes of certain holders of outstanding PREIT Partnership Units who are entitled to vote on the merger. For this purpose, the votes of the holders of units entitled to vote on the merger will be considered together with the PREIT common shareholders as a single class. The exact number of required affirmative votes by such holders 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, holders of over 68% of the PREIT Partnership Units entitled to vote on the merger have agreed to vote their PREIT Partnership Units in favor of the merger. This percentage of units will be sufficient to approve the merger under the terms of PREIT Partnership's limited partnership agreement assuming the merger is also approved by the affirmative vote of a majority of the votes

6

cast by PREIT shareholders at the PREIT special meeting;

the approval of the merger agreement and the transactions contemplated by the merger agreement by Crown Investments Trust and Crown American Investment Company, as limited partners of Crown Partnership. Crown Investments Trust and Crown American Investment Company also have agreed to vote in favor of the merger;

the delivery of opinions by Hogan & Hartson L.L.P., special counsel to PREIT, and Reed Smith LLP, counsel to Crown, that the merger qualifies as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code, which opinions also were delivered at the time the merger agreement was executed;

the delivery of opinions (1) by Drinker Biddle & Reath LLP, counsel to PREIT, regarding the REIT status of PREIT and (2) by Reed Smith LLP, counsel to Crown, regarding the REIT status of Crown and the partnership status of Crown Partnership;

the absence of a court order or law preventing the completion of the merger; and

other customary closing conditions.

Where the law permits, PREIT or Crown could decide to complete the merger even though one or more conditions were not satisfied. By law, neither PREIT nor Crown can waive:

the requirement that PREIT common shareholders and Crown common shareholders approve the merger agreement and the transactions contemplated by the merger agreement;

the requirement that certain holders of PREIT Partnership Units who are entitled to vote on the merger approve the merger agreement and the transactions contemplated by the merger agreement. For this purpose, the votes of the holders of units entitled to vote on the merger will be considered together with the PREIT common shareholders as a single class;

the requirement that Crown Investments Trust and Crown American Investment Company, as limited partners of Crown Partnership, approve the merger agreement and the transactions contemplated by the merger agreement; or

any court order or law preventing the closing of the merger.

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Whether any of the other conditions would be waived would depend on the facts and circumstances as determined by the board of trustees of PREIT or Crown. If PREIT or Crown waived compliance with one or more of the other conditions and the condition was deemed material to a vote of PREIT common shareholders and/or Crown common shareholders, PREIT and/or Crown would have to resolicit shareholder approval before closing the merger. The condition requiring delivery of opinions that the merger qualifies as a reorganization will not be waived.

Termination of the Merger Agreement; Termination Fees (see page 91)

The merger agreement contains provisions addressing the circumstances under which PREIT or Crown may terminate the merger agreement. In addition, the merger agreement provides that, in specified circumstances, PREIT or Crown may be required to pay to the other a termination fee of \$20 million. The merger agreement also provides that under specified circumstances, PREIT or Crown may be required to reimburse either \$7 million or \$3.5 million of the other party's expenses if the merger agreement is terminated under specified circumstances.

To the extent that the termination results from specified breaches by any party of any of its representations, warranties, covenants or agreements contained in the merger agreement, nothing in the merger agreement will limit a party's liability for breach by the party of its representations, warranties, covenants or agreements contained in the merger agreement.

7

Structure Diagrams

The following diagrams depict in summary form the structure of PREIT and Crown as of September 30, 2003, and at each of the different stages contemplated by the merger and the related transactions.

The first diagram labeled "Current Structure" shows the structure of PREIT and Crown as of September 30, 2003.

The second diagram labeled "Immediately After the Pre-Merger Distribution" shows the structure of PREIT and Crown immediately after the distribution by Crown Partnership to Crown, in complete liquidation of all of Crown's partnership interests in Crown Partnership, of Crown's proportionate interest in all of Crown Partnership's assets subject to Crown's proportionate share of substantially all of Crown Partnership's liabilities. *This distribution will take place one business day prior to the merger, subject to the satisfaction of specified conditions.* At that stage, the structure of PREIT is unchanged. For more information, please see "The Merger Agreement The Distribution Agreement" beginning on page 103.

The third diagram labeled "Immediately After the Merger" shows the structure of the combined company immediately after the merger of Crown into PREIT and prior to the contributions described below.

The fourth diagram labeled "Final Structure (After the Contributions)" shows the structure of the combined company immediately after

the contribution by Crown Partnership to PREIT Partnership of all of the assets held by Crown Partnership immediately following the merger, which will consist of those assets not distributed to Crown as part of the pre-merger distribution described above, and which will exclude a portion of Crown Partnership's interest in two partnerships that own 14 shopping malls, and the assumption by PREIT Partnership of substantially all of Crown Partnership's liabilities and the issuance to Crown Partnership of PREIT Partnership Units, and

the contribution by PREIT to PREIT Partnership of substantially all of the assets of Crown Partnership distributed to Crown as part of the pre-merger distribution described above and acquired by PREIT from Crown in the merger, and the assumption by PREIT Partnership of the liabilities of Crown Partnership assumed by Crown as part of the pre-merger distribution described above and transferred to PREIT in the merger and the issuance to PREIT of PREIT Partnership Units. *These two contributions will take place concurrently immediately following the merger.* The excluded 11% interest in the capital and 1% interest in the profits of two partnerships will be subject to a put-call arrangement between Crown Partnership and PREIT Partnership. For more information, please see "The Merger Agreement The Contribution Agreements" beginning on page 104.

Current Structure

Immediately After the Pre-Merger Distribution:

Immediately After the Merger:

Final Structure (After the Contributions):

Regulatory Approvals (see page 70)

No material federal or state regulatory requirements must be complied with or approvals must be obtained by PREIT, PREIT Partnership, Crown or Crown Partnership in connection with the merger.

No Dissenters' Rights (see page 70)

Crown common and preferred shareholders and PREIT shareholders have no rights to dissent and receive an appraised value of their shares in the merger.

Accounting Treatment (see page 70)

The merger will be treated as a purchase for financial accounting purposes.

Material Tax Consequences of the Merger (see page 118)

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 to the extent of 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 include the holding period of the Crown shares exchanged therefor. For U.S. federal income tax purposes, PREIT shareholders will not recognize either gain or loss as a result of the merger.

Trustees and Executive Officers of PREIT After the Merger (see page 64)

Following the merger, the nine current trustees of PREIT, including Mr. Roberts if he is elected at the special meeting, will remain as trustees of the combined company. In addition, following the merger, Mark E. Pasquerilla and Donald F. Mazziotti will become trustees of the combined company. 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.

Following the merger, the current executive officers of PREIT will remain as executive officers of PREIT. No current executive officers of Crown will become executive officers of PREIT following the merger.

Interests of Trustees and Executive Officers of Crown and PREIT in the Merger (see page 65)

In considering the recommendation of the Crown board with respect to the merger, Crown shareholders should be aware that some Crown trustees and executive officers have interests in the merger that differ from, or are in addition to, the interests of Crown shareholders generally.

Trustees of PREIT After the Merger. Under the merger agreement, Mr. Pasquerilla, Crown's chairman, chief executive officer and president, and Mr. Mazziotti, a member of Crown's board of trustees, will become members of the PREIT board of trustees in connection with the merger.

Indemnification and Insurance. The merger agreement provides that PREIT and PREIT Partnership will provide exculpation and indemnification for officers, directors and trustees of Crown or any Crown subsidiary which is the same as the exculpation and indemnification provided by Crown and Crown Partnership immediately before completion of the merger, with specified limited exceptions. The merger agreement also provides that PREIT and PREIT Partnership will indemnify and hold harmless those persons after the merger to the fullest extent permitted by law. In addition, PREIT has agreed to purchase directors' and officers' liability insurance coverage for the benefit of those individuals currently covered by Crown's insurance for a period of six years after the merger.

Equity-Based Awards.

Crown Trustees. One of the four Crown trustees who are not employees of Crown holds an aggregate of 30,000 options to purchase Crown common shares with a weighted average exercise price of \$7.58 per share. As of the effective time of the merger, all of these options automatically will be converted into options to purchase a number of PREIT common shares equal to the number of Crown options multiplied by the exchange ratio of 0.3589, with an exercise price equal to the exercise price of the Crown options divided by 0.3589. All of these options already are vested according to

their terms, and the substituted PREIT options will remain exercisable until the earlier of six months after the effective time of the merger or the expiration date of the original Crown options. The expiration date will be determined without regard to the trustee's resignation or termination of service.

Crown Executive Officers. The eight Crown executive officers, three of whom also are Crown trustees, are employed by Crown Partnership and seven of these executive officers hold vested options to purchase an aggregate of 552,000 units of limited partner interest in Crown Partnership, which we refer to as Crown Partnership Units, with a weighted average exercise price of \$7.60 per unit and unvested options to purchase an aggregate of 171,000 Crown Partnership Units with a weighted average exercise price of \$5.73 per unit. Mark E. Pasquerilla never participated in Crown's option plan and holds no options. As of the effective time of the merger, all of these options automatically will be converted into options to purchase a number of PREIT common shares equal to the number of Crown Partnership options multiplied by the exchange ratio of 0.3589, with an exercise price equal to the exercise price of the Crown Partnership options divided by 0.3589, and will be treated as follows:

if the Crown executive officer is hired by PREIT and remains an employee of PREIT on the later of March 31, 2004 or the last day of the first full calendar quarter that begins on or after the closing of the merger, then the Crown executive officer's unvested options will vest on that date. These options, together with the Crown executive officer's previously vested options, will remain exercisable according to their original terms as if the Crown executive officer's employment with Crown Partnership had not terminated;

if the Crown executive officer is hired by PREIT but his employment is terminated by PREIT other than for cause before the later of March 31, 2004 or the last day of the first full calendar quarter that begins on or after the closing of the merger, then the Crown executive officer's unvested options will vest on the date of termination. These options will remain exercisable until the earlier of six months after the termination or the scheduled expiration date of the option, and the Crown executive officer's previously vested options will remain exercisable for the period following such termination provided for by the terms of the options; or

if the Crown executive officer is not offered employment with PREIT or is offered employment by PREIT at a location that is more than 25 miles from his position with Crown Partnership or conditioned upon a material reduction in pay and the Crown executive officer does not accept the offer, then the Crown Partnership executive officer's unvested options will vest at the effective time of the merger. These options, together with his previously vested options, will remain exercisable until the earlier of six months after the effective time of the merger or the scheduled expiration date of the options. The scheduled expiration date will be determined without regard to the executive officer's termination of employment.

Employment Continuation Agreements. Crown Partnership has entered into "employment continuation agreements" with the eight Crown executive officers that provide for severance benefits under specified circumstances in the event of a change of control or a potential change of control. Upon completion of the merger and regardless of whether the Crown executive officers are hired by PREIT, the Crown executive officers will be entitled to, and PREIT will be required to provide, cash severance payments and the continuation of benefits to the Crown executive officers as provided in the employment continuation agreements. Under the employment continuation agreements, the eight executive officers of Crown will be entitled to receive cash payments and benefits, estimated assuming that the merger will close on November 13, 2003, ranging from approximately \$342,000 to \$1.14 million, or approximately \$5.1 million in the aggregate.

If any amount or benefit paid to an executive officer under his employment continuation agreement or otherwise would result in an excise tax imposed by Section 4999 of the Internal Revenue Code, and if the executive officer would receive a greater net after-tax amount if the total

amount payable to the executive officer were reduced by the amount necessary to avoid triggering the excise tax, then the amount payable to the executive officer under the employment continuation agreement will be reduced by the amount necessary to avoid triggering the excise tax. Neither Crown nor PREIT has made a final determination that any reduction to payments will be required to avoid imposition of the excise tax under Section 4999 of the Internal Revenue Code.

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Arrangements with Mark E. Pasquerilla and Affiliates. PREIT has entered into, or will enter into in connection with the merger, various arrangements with Mark E. Pasquerilla and certain affiliates of Mr. Pasquerilla, including a tax protection agreement, a shareholders agreement, a registration rights agreement, an indemnification agreement, a non-competition agreement and a standstill agreement. See "Agreements with Mark E. Pasquerilla and Affiliates" beginning on page 109.

Arrangements with Edward A. Glickman. In considering the recommendation of the PREIT board with respect to the merger, PREIT shareholders should be aware that, as described below, Edward A. Glickman, executive vice president and chief financial officer of PREIT, may have interests in the merger that are in addition to the interests of PREIT shareholders generally. Mr. Glickman holds 5,000 restricted shares, 10,000 dividend equivalent rights and 20,000 options to purchase PREIT common shares scheduled to vest on January 1, 2004 which will automatically vest immediately upon the merger. In addition, under the terms of Mr. Glickman's employment agreement, Mr. Glickman is entitled to terminate his employment with PREIT for good reason as a result of the merger, entitling him, among other things, to a payment of three times the sum of his current salary plus the average of his annual bonus over the last three years if he is not offered a new three year employment agreement following the merger providing for the same title and responsibilities and the same or greater compensation and benefits as in effect immediately before the change of control.

Crown and PREIT Voting Agreements

Mark E. Pasquerilla and two of his affiliates and each of the independent trustees and executive officers of Crown (except for Ronald P. Rusinak and John A. Washko) have entered into a voting agreement with PREIT and PREIT Partnership and each of the independent trustees and executive officers of PREIT has entered into a voting agreement with Crown and Crown Partnership agreeing to vote all Crown common shares and, as applicable, Crown Partnership Units, and PREIT common shares and, as applicable, PREIT Partnership Units, owned of record, respectively, by each of them as of the record date for the applicable special meeting in favor of the merger proposal.

As of the record date for the Crown special meeting, the independent trustees and executive officers of Crown (except for Ronald P. Rusinak and John A. Washko) and Mark E. Pasquerilla and his affiliates owned a total of 3,261,835 Crown common shares (3,129,625 of which were owned by Mr. Pasquerilla and his affiliates) representing approximately 10.03% of the outstanding Crown common shares. As of the record date for the Crown special meeting, Mr. Pasquerilla and his affiliates owned a total of 9,956,398 Crown Partnership Units, representing 100% of the outstanding Crown Partnership Units other than those owned by Crown. As of the record date for the PREIT special meeting, the independent trustees and executive officers of PREIT owned a total of 830,882 PREIT common shares representing approximately 3.54% of the outstanding PREIT common shares. As of the record date for the PREIT special meeting, the independent trustees and executive officers of PREIT owned a total of 951,757 PREIT Partnership Units entitled to vote on the merger, representing over 68% of the PREIT Partnership Units entitled to vote on the merger.

Comparative Per Share Market Price (see page 117)

PREIT common shares are listed on the New York Stock Exchange under the symbol "PEI" and Crown common shares are listed on the New York Stock Exchange under the symbol "CWN". The following table presents the last reported sale price per PREIT common share and Crown common share, as reported on the New York Stock Exchange Composite Transaction reporting system on May 13, 2003, the last full trading day prior to the public announcement of the merger, and on

13

September 30, 2003, the last full trading day for which this information could be obtained prior to the date of this joint proxy statement/prospectus. The following table also presents the Crown common share equivalent based on the value of PREIT common shares on May 13, 2003, the last full trading day prior to the public announcement of the merger, and on September 30, 2003, the last full trading day for which this information could be obtained prior to the date of this joint proxy statement/prospectus multiplied by the 0.3589 exchange ratio.

Date	PREIT Common Shares	Crown Common Shares	Crown Common Share Equivalent
May 13, 2003	\$ 28.00	\$ 10.75	\$ 10.05
September 30, 2003	\$ 33.45	\$ 11.90	\$ 12.01

You are encouraged to obtain current market quotations for PREIT and Crown common shares.

Differences in the Rights of Shareholders (see page 151)

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The rights of holders of Crown common and preferred shares currently are governed by the Maryland REIT Law and Crown's declaration of trust and by-laws. Following the closing of the merger, the rights of former holders of Crown shares who receive PREIT shares in the merger will be governed by Pennsylvania business trust law and PREIT's trust agreement and by-laws.

14

Summary Historical Consolidated Financial Data (see page F-1)

PREIT

The following table sets forth selected consolidated and combined financial and operating data on a historical basis for PREIT. The selected operating data and cash flows data set forth below for the fiscal years ended December 31, 2002, 2001 and 2000 and the balance sheet data as of December 31, 2002 and 2001, have been derived from historical consolidated financial statements of PREIT, audited by KPMG LLP, independent auditors. The selected operating data and cash flows data set forth below for the fiscal years ended December 31, 1999 and 1998 and the balance sheet data as of December 31, 2000, 1999 and 1998 have been derived from historical consolidated financial statements of PREIT, audited by Arthur Andersen LLP, who has ceased operations. The selected operating and cash flows data at and for the six months ended June 30, 2003 and 2002 have been derived from the unaudited financial statements of PREIT. You should read the following information together with the consolidated financial statements and financial statement notes of PREIT incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 192.

	For the six months ended June 30,		For the fiscal years ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
(Dollars in thousands, except per share data)							
Operating Data:							
Total revenues	\$ 54,494	\$ 33,382	\$ 75,055	\$ 62,334	\$ 51,293	\$ 42,847	\$ 23,569
Income from continuing operations	9,773	4,016	11,838	11,613	24,245	11,856	10,601
Net income	149,615	8,169	23,678	19,789	32,254	20,739	23,185
Basic income from continuing operations per share	\$ 0.59	\$ 0.25	\$ 0.73	\$ 0.79	\$ 1.81	\$ 0.89	\$ 0.80
Diluted income from continuing operations per share	0.58	0.25	0.72	0.79	1.81	0.89	0.80
Basic net income per share	9.02	0.51	1.47	1.35	2.41	1.56	1.74
Diluted net income per share	8.87	0.51	1.44	1.35	2.41	1.56	1.74
Weighted average number of shares outstanding:							
Basic	16,579	16,072	16,162	14,657	13,403	13,318	13,297
Diluted	16,874	16,107	16,388	14,684	13,403	13,318	13,314
Cash Flows:							
Net cash provided by operating activities	\$ 33,601	\$ 14,520	\$ 28,541	\$ 37,655	\$ 44,473	\$ 29,437	\$ 31,302
Net cash (used in) investing activities	(4,774)	(23,937)	(24,047)	(25,428)	(36,350)	(64,873)	(159,734)
Net cash (used in) provided by financing activities	(33,668)	7,924	(1,199)	(8,060)	(9,197)	31,784	134,830
Balance Sheet Data (at end of period):							
Investments in real estate, at cost	\$ 967,930	\$ 703,844	\$ 739,429	\$ 636,294	\$ 612,266	\$ 577,521	\$ 509,406
Total assets	1,106,013	670,340	703,663	602,628	576,663	547,590	481,615
Total mortgage, bank and construction loans payable	647,738	428,643	450,551	360,373	382,396	364,634	302,276
Minority Interest	61,828	32,553	32,472	36,768	29,766	32,489	28,045
Total shareholders' equity	324,659	183,843	188,013	180,285	143,906	133,412	137,082

Crown

The following table sets forth selected consolidated and combined financial and operating data on a historical basis for Crown. The selected operating data and cash flows data set forth below for the fiscal years ended December 31, 2002, 2001 and 2000 and the balance sheet data as of December 31, 2002 and 2001, have been derived from historical consolidated financial statements of Crown, audited by Ernst & Young LLP, independent auditors. The selected operating data and cash flows data set forth below for the fiscal years ended December 31, 1999 and 1998 and the balance sheet data as of December 31, 2000, 1999 and 1998 have been derived from historical consolidated financial statements of Crown, audited by Arthur Andersen LLP, who has ceased operations. The selected operating and cash flows data at and for the six months ended June 30, 2003 and 2002 have been derived from the unaudited financial statements of Crown. You should read the following information together with the consolidated financial statements and financial statement notes of Crown incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 192.

	For the six months ended June 30,		For the fiscal years ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
(Dollars in thousands, except per share data)							
Operating Data:							
Total revenues	\$ 99,908	\$ 90,803	\$ 186,004	\$ 178,603	\$ 173,186	\$ 162,170	\$ 151,196
Operating Costs:							
Property operating expenses	(38,218)	(33,567)	(66,756)	(62,877)	(60,573)	(57,839)	(56,074)
Depreciation and amortization	(23,755)	(21,673)	(44,375)	(46,888)	(45,425)	(42,010)	(39,291)
General and administrative expenses	(5,978)	(2,870)	(6,822)	(5,393)	(5,093)	(4,663)	(4,971)
Restructuring costs					\$ (369)	\$ (2,251)	
Operating income before interest	31,957	32,693	68,051	63,445	61,726	55,407	50,860
Interest expense	(25,411)	(25,317)	(50,736)	(52,702)	(54,306)	(47,955)	(42,325)
Loss on early extinguishment of debt		(4,314)	(4,314)		(243)		(22,512)
Gains on sale of property	83	94	369	437	700	1,761	1,210
Minority interest in operating partnership	(6,343)	(2,756)	(5,351)	(4,999)	(664)	1,734	8,363
Income (loss) from continuing operations before change in accounting method and discontinued operations	286	400	8,019	6,181	7,213	10,947	(4,404)
Cumulative effect of change in accounting method							(1,659)
Loss from discontinued operations	(14,022)	(417)	(304)	(975)	(1,234)	(1,672)	(2,576)
Net income (loss)	(13,736)	(17)	7,715	5,206	5,979	9,275	(8,639)
Dividends on preferred shares	(6,806)	(6,806)	(13,613)	(13,613)	(13,695)	(13,750)	(13,750)
Net (loss) applicable to common shares	\$ (20,542)	\$ (6,823)	\$ (5,898)	\$ (8,407)	\$ (7,716)	\$ (4,475)	\$ (22,389)
Per share data (after minority interest):							
Loss from continuing operations before discontinued operations, net of preferred dividends	\$ (0.20)	\$ (0.23)	\$ (0.19)	\$ (0.28)	\$ (0.25)	\$ (0.10)	\$ (0.69)
Loss from discontinued operations	(0.44)	(0.02)	(0.01)	(0.04)	(0.04)	(0.07)	(0.10)
Cumulative effect of change in accounting method							(0.06)
Net (loss)	\$ (0.64)	\$ (0.25)	\$ (0.20)	\$ (0.32)	\$ (0.29)	\$ (0.17)	\$ (0.85)
Weighted average common shares outstanding basic and diluted	32,110	26,918	29,480	26,208	26,208	26,208	26,393

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	For the six months ended June 30,		For the fiscal years ended December 31,				
Weighted average common shares and Crown Partnership Units outstanding basic and diluted	40,018	36,874	39,436	36,164	36,164	36,164	36,317

Cash Flows:

Net cash provided by operating activities	\$ 31,637	\$ 19,600	\$ 67,549	\$ 68,392	\$ 58,286	\$ 56,939	\$ 56,984
Net cash (used in) investing activities	(16,006)	(7,394)	(99,075)	(22,482)	(30,625)	(49,683)	(104,725)
Net cash (used in) provided by financing activities	(18,316)	(23,069)	(28,649)	(43,524)	(30,219)	(3,597)	51,781

16

As of June 30,		As of December 31,				
2003	2002	2002	2001	2000	1999	1998

(Dollars in thousands, except per share data)

Balance Sheet Data (at end of period):

Income-producing properties (before accumulated depreciation and amortization)	\$ 1,281,481	\$ 1,163,259	\$ 1,271,742	\$ 1,171,117	\$ 1,157,998	\$ 1,120,071	\$ 1,071,564
Total assets	835,153	798,693	879,432	826,780	855,501	875,208	869,288
Total debt and liabilities	795,593	703,852	796,087	761,657	758,929	746,630	708,047
Minority Interest		(3,182)	(3,265)	(3,303)	(3,050)	2,727	11,724
Total shareholders' equity	39,560	94,841	83,345	65,123	96,572	125,851	149,517

Equivalent Per Share Data

We have summarized below specified per common share information for our respective companies on a historical basis, pro forma combined basis and pro forma combined equivalent basis. The pro forma combined amounts are based on the purchase method of accounting. The Crown per common share pro forma combined equivalents are calculated by multiplying the pro forma combined per common share amounts by the common share exchange ratio of 0.3589. You should read the following information together with the consolidated financial statements and historical and pro forma financial statements included or incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 192.

	For the six months ended June 30, 2003		For the year ended December 31, 2002	
	Basic	Diluted	Basic	Diluted
Income (loss) from continuing operations per common share before extraordinary items:				
PREIT	\$ 0.59	\$ 0.58	\$ 0.73	\$ 0.72
Crown	(0.20)	(0.20)	(0.19)	(0.19)
PREIT and Crown pro forma combined before extraordinary items	0.40	0.40	1.45	1.43
Crown pro forma combined equivalent	0.14	0.14	0.52	