



NEWS RELEASE

For Immediate Release

RLJ WESTERN ASSET MANAGEMENT LIQUIDATES PUBLIC PRIVATE INVESTMENT PARTNERSHIP AT A 23.9% INTERNAL RATE OF RETURN FOR TREASURY

BETHESDA, MD – November 20, 2012 -- RLJ Western Asset Management, LP today announced that it has returned substantially all assets of the RLJ Western Asset Public/Private Master Fund (the “RLJ/WA PPIP”). The RLJ/WA PPIP was jointly owned by the U.S. Department of the Treasury (“Treasury”) and private investors. Treasury received \$416.8 million of investment gains in addition to the return of \$620.6 million in committed capital. These profits represent a 23.9% internal rate of return on Treasury’s equity investment, net of fees and expenses, since the fund’s inception in November 2009 and a 1.67x net multiple on committed capital. Treasury received \$10.5 million in proceeds from warrants for total proceeds from the RLJ/WA PPIP of \$1.05 billion. The RLJ/WA PPIP also repaid \$1.24 billion in loans with interest to Treasury. The RLJ/WA PPIP was managed by a joint venture between the RLJ Companies and Western Asset Management Company as part of the Treasury’s Legacy Securities Public-Private Investment Program.

“The RLJ Companies and Western Asset are extremely pleased to have participated as a manager in the Public-Private Investment Program, helping to provide liquidity for legacy mortgage assets and generating attractive returns for our clients and United States taxpayers.” said Paul Jablansky, Head of Structured Products, for Western Asset Management Company.

The Legacy Securities Public-Private Investment Program was conceived as a distressed asset investment opportunity with the goal of supporting functioning non-agency mortgage-backed securities markets and allowing banks to redeploy capital to businesses and consumers. Treasury announced the program in March 2009 as part of the Obama Administration’s broader Financial Stability Plan. The RLJ Western Asset joint venture was one of the original nine fund managers pre-qualified to raise private investment capital and administer investing for the Legacy Securities Public-Private Investment Program.

***About The RLJ Companies:** The RLJ Companies, founded by Robert L. Johnson, is an innovative business network that provides strategic investments in a diverse portfolio of companies. Within The RLJ Companies portfolio, Johnson owns or holds interests in businesses operating in hotel real estate investment trust; private equity; financial services; asset management; insurance services; automobile dealerships; sports and entertainment; and video lottery terminal (VLT) gaming. The RLJ Companies is headquartered in Bethesda, MD, with affiliate operations in Charlotte, NC; Little Rock, AR; Los Angeles, CA; San Juan, PR; and Monrovia, Liberia. Prior to founding The RLJ Companies, Johnson was founder and chairman of Black Entertainment Television (BET). For more information visit www.rljcompanies.com.*

***About Western Asset:** Western Asset, a unit of Legg Mason, Inc. (NYSE:LM) is one of the world's premier fixed-income managers. With offices in Pasadena, New York, London, Tokyo, Singapore, Hong Kong, Melbourne and Sao Paulo, Western Asset offers institutional and retail clients a full range of fixed-income products. By devoting all of its resources to fixed-income, Western Asset is able to provide a full commitment to its clients in every area of the firm. Western Asset's long performance track record and global presence has them positioned to continue their commitment to excellence in fixed-income investment management and client service. As of September 30, 2012, Western Asset had \$459 billion in assets under management. For more information visit www.westernasset.com.*

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