PRELIOS: IN 2013 PRELIOS COMPLETES IMPORTANT TURNAROUND PHASE, ACCELERATING RATIONALIZATION, WITH A COST SAVING ALREADY ACHIEVED FOR €14 MILLION AND STARTING AN INTENSIVE DEVELOPMENT ACTION TO INCREASE AUM AND SERVICE PLATFORM REVENUES. WITH THIS VIEW THE GROUP IS CONSIDERING INDUSTRIAL PARTNERSHIPS AND HAS REACHED THE AGREEMENT ON A MEMORANDUM OF UNDERSTANDING WITH FORTRESS GROUP FOR A POSSIBLE INTEGRATION IN REAL ESTATE ASSET MANAGEMENT AND NON PERFORMING LOAN SECTORS AS WELL AS FOR ADDITIONAL BUSINESS SYNERGIES.

BOD APPROVES 2013 DRAFT SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS[1]

THE 2012 INCOME STATEMENT HAS BEEN RECLASSIFIED WITH THE PURPOSE TO REPORT DATA ON A LIKE FOR LIKE BASIS, INCLUDING THE EFFECTS OF THE DGAG TRANSACTION, INCLUDING THE DISPOSAL OF THE REAL ESTATE ASSET PORTFOLIO AND OF THE RELATED RESIDENTIAL MANAGEMENT PLATFORM

- MANAGEMENT PLATFORM REVENUES, GROUP CORE BUSINESS, AT 68.6 €/MLN (79.8 €/MLN IN 2012)
- SIGNIFICANT EFFICIENCY IMPROVEMENT PROCESS, THAT RESULTED IN DECREASING G&A COSTS FOR ABOUT NEARLY 14 €/MLN (-13% VS. 2012)
- EBIT[2] EQUAL TO -28.1 €/MLN (-18.9 €/MLN IN 2012), IMPACTED BY THE NEGATIVE RESULT OF INVESTMENT ACTIVITIES (-22.7 €/MLN VS. -21.5 €/MLN IN 2012)
- EBIT OF MANAGEMENT PLATFORM[3] ONLY AT -5.4 €/MLN (2.6 €/MLN IN 2012, THAT HAD BEEN POSITIVELY IMPACTED BY NON-RECURRENT ITEMS FOR 3.7 €/MLN)
- GROUP RESULT NEGATIVE FOR 332.8 €/MLN (-241.7 €/MLN IN 2012) LARGELY DETERMINED BY ITEMS NOT RELATED TO THE GROUP ORDINARY OPERATION AND IN PARTICULAR BY THE DGAG OVERALL TRANSACTION, THAT IMPACTED FOR -142.6 €/MLN. NET OF SUCH TRANSACTION, THE NET RESULT WOULD AMOUNT TO -190.2 €/MLN
- THE GROUP NET RESULT WAS IMPACTED BY OTHER EXTRAORDINARY ITEMS MAINLY DERIVING FROM INVESTMENT ACTIVITIES, FOR A TOTAL OF 153.7 €/MLN, NAMELY: RESTRUCTURING COSTS FOR 42.6 €/MLN (18.8 €/MLN IN 2012), REAL ESTATE DEVALUATIONS AND VALUE IMPAIRMENTS FOR 111.1 €/MLN (-142.8 €/MLN IN 2012)
- BASED ON 2013 RESULTS, THE PRESUPPOSITIONS HAVE OCCURRED FOR THE AUTOMATIC CONVERSION OF THE CONVERTIBLE DEBENTURE LOAN AND FOR THE CONSEQUENT CAPITAL INCREASE EXCLUSIVELY SERVING THE CONVERSION
- NET FINANCIAL POSITION NEGATIVE FOR 388.4 €/MLN (370.3 €/MLN AT NOVEMBER 2013 AND -520.5 €/MLN AT 31 DECEMBER 2012); CONSIDERING THE CONVERSION OF THE CONVERTIBLE DEBENTURE LOAN, THE NFP IS EQUAL TO 152.5 €/MLN

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1 It should be noted that the consolidated financial statements – from the industrial viewpoint – better reflect the situation of the Group as a whole, as the latter consists of a number of companies directly or indirectly controlled by Prelios.
2 Amount made up of EBIT plus net income from equity investments and income from shareholder loans, adjusted for restructuring costs and property writedowns/revaluations. The value does not include the impairment loss of the NPL portfolio (equal to 17 million euro in 2013 and to 61.6 million euro in 2012) and the negative impairment test of the management platform (equal to 10.1 million euro in 2013 and to 3.4 million euro in 2012).
3 Management platform EBIT indicates income generated through fund & asset management operations, specialised real estate services (property & project management and agency), services connected with NPL management (credit servicing), as well as general and administrative expenses (G&A).

2014-2016 GUIDELINES HAVE BEEN APPROVED: INCREASE OF REVENUES FROM SERVICES, ADDITIONAL EFFICIENCY IMPROVEMENTS AND MARGIN RECOVERY

- THE BOD HAS EXAMINED AND APPROVED THE GUIDELINES, SUBSTANTIALLY SUPERSEDING THE PREVIOUS PLAN, THAT WILL BE THE BASIS FOR THE DEVELOPMENT OF THE NEW PLAN TO BE PRESENTED BY THE MANAGEMENT UPON APPROVAL OF 1Q REPORT
- THE "PURE MANAGEMENT COMPANY" BUSINESS MODEL HAS BEEN CONFIRMED WITH A STRONG FOCUS ON THREE SEGMENTS OF ACTIVITY: ASSET MANAGEMENT, REAL ESTATE SERVICES AND NON PERFORMING LOANS
- SIGNIFICANT THRUST TO THIRD PARTY MARKET, IN PARTICULAR IN "PREMIUM" SEGMENTS WITH HIGHER MARGINS
- SUBSTANTIAL EFFECTS STARTING FROM THE SECOND HALF OF 2014 OF THE ALREADY STARTED BUSINESS DEVELOPMENT ACTIVITY ON REVENUE AND AUM INCREASE
- CONFIRMATION OF THE PLAN FOR THE DISPOSITION OF EQUITY INVESTMENTS WITHIN THE PLAN TIME FRAME, WITH A FURTHER RATIONALIZATION OF THE RELEVANT INDIRECT COSTS

REACHED AGREEMENT ON MOU WITH FORTRESS GROUP

- THE POSSIBLE INTEGRATION OF THE RESPECTIVE BUSINESSES OPERATING IN ITALY WOULD ENABLE THE GROUP TO STRENGTHEN ITS POSITIONING AS ASSET MANAGER AND TO SIGNIFICANTLY INCREASE REAL ESTATE ASSET AND CREDIT MANAGEMENT
- IN PARTICULAR, THE AGREEMENT ENVISAGES THE POSSIBLE INTEGRATION BETWEEN PRELIOS SGR AND TORRE SGR IN THE REAL ESTATE FUND SECTOR AND BETWEEN PRELIOS CREDIT SERVICING AND ITALFONDIARIO IN THE CREDIT MANAGEMENT SECTOR AS WELL AS POSSIBLE ADDITIONAL BUSINESS SYNERGIES

CALL FOR SHAREHOLDERS' MEETING

- THE SHAREHOLDERS' MEETING WILL BE CALLED TO APPROVE, AMONG OTHER THINGS, THE MEASURES PURSUANT TO ARTICLE 2446 OF THE ITALIAN CIVIL CODE

Milan, 09 April 2014 – The Board of Directors of Prelios S.p.A., that held its meeting on today's date, examined and approved the 2013 Draft Financial Statements, to be submitted to the next ordinary Shareholders' Meeting for approval.

Market scenario

In 2013, the macroeconomic scenario in Europe was persistently weak, even though it recorded a few weak signs of recovery in the second half of the year, that would lead to expect a possible reverse trend, already from 2014. Italy seems again attractive to foreign opportunistic investors as a result of repricing and of the consequent rise in gross yields. In 4Q 2013, the commercial sector recorded investment volumes more than doubled with respect to the previous quarter, though still 22% lower than the quarterly average values recorded in the years 2006-2007. Such performance has been determined by a few large-sized deals, and may not yet be considered as a sign of a general growth trend.

Group performance at 31 December 2013

In this scenario, the Group reported **consolidated revenues** equal to 73.1 million euro versus 85.9 million euro at 31 December 2012. In particular, **management platform revenues**, in Italy and in foreign countries, amounted to 68.6 million euro (79.8 million euro in the same period of last year).

The EBIT[4] is negative for 28.1 million euro (-18.9 million at December 2012) and is made up as follows:

- **Management platform operations** record a **negative result for 5.4 million euro,** against a positive result of 2.6 million euro at 31 December 2012, which, however, had been positively impacted by non-recurrent positive items for 3.7 million euro;

- **Investment activities[5],** i.e. what has been generated by Prelios through its equity investments in funds and companies that hold real estate assets and Non Performing Loans, **are negative for 22.7 million euro** (-21.5 million euro in 2012).

The **net result for the period is negative for 332.8 million euro,** against an actual result at 31 December 2012 that was negative for 241.7 million euro. The net result has been largely determined by items that are beyond the ordinary operations, and namely:

- **the disposition of the German residential asset portfolio known as DGAG** (the relevant agreement has been reached in February 2014), consisting of about 18,000 units, and disposed to the company Buwog (100% of the Austrian Group Immofinanz), **together with the related management service business of Prelios Deutschland**. Such transaction, the economic and financial effects of which have been recognised as *discontinued operations (*assets held for sale), **had a negative impact of 142.6 million euro** already in these Draft Financial Statements, while the financial effects (cash-in) will be visible only between 2014 and 2015. The transaction enabled the Company to dispose a portfolio characterised by a high debt (a non-consolidated nominal amount of about 300 million euro *pro rata* with maturity in September 2014) and to focus at the same time on commercial management services generating higher margins;
- **the restructuring costs, that had a negative impact of 42.6 million euro**, over twice as much the amount of -18.8 million euro at 31 December 2012. Such data includes doubtful debts and waivers made within the scope of the plan for the re-organization of some subsidiaries and the costs related to the rationalization of the Group, enabling the Company to have a leaner and more competitive structure already in 2014;
- **impairments and real estate asset writedowns, that impacted for -111.1 million euro** (-142.8 million euro at December 2012).

During 2013 Prelios **implemented a new organizational structure, with a leaner holding company and greater autonomy for the various operating companies,** accelerating the refocus and efficiency improvement plan, that resulted in **decreasing G&A costs in a range of 14 million** euro compared to the previous year, corresponding to a reduction of about 13%, also through the headcount reduction of over 90 managers and white-collars.

Real estate asset sales[6] in 2013 **amounted to 2.24 billion euro, for a pro rata amount for Prelios equal to about 540 million euro** (657.1 million euro at 31 December

4 Amount made up of EBIT plus net income from equity investments and income from shareholder loans, adjusted for restructuring costs and property writedowns/revaluations. The value does not include the impairment loss of the NPL portfolio (equal to 17 million euro in 2013 and to 61.6 million euro in 2012) and the negative impairment test of the management platform (equal to 10.1 million euro in 2013 and to 3.4 million euro in 2012).
5 The value does not consider the impairment loss of the NPL portfolio equal to 17 million euro at 31 December 2013 and to 61.6 million euro at 31 December 2012.

2012, the pro rata amount of which was equal to about 190 million euro). Real estate transactions were carried out at values substantially in line with book value, as it occurred last year. **Specifically, in Italy sales were recorded for 44 million euro** (**303.4 million euro** at 31 December 2012), in **Germany** sales amounted to 2.19 billion euro and included the aforementioned sale of DGAG residential portfolio for a value of 917 million euro (353.2 million in 2012), while in **Poland** no sales were made (vs. 0.5 million euro at December 2012). **As a result of these dispositions, the pro rata net debt of co-investment activities halved to 0.75 billion euro** (from 1.5 billion in 2012), **against pro rata assets of 1.2 billion euro** (2.1 billion euro in 2012).

The Asset Under Management[7] (**AUM**) at 31 December 2013 amounted to 6.2[8] billion euro (9.7 billion euro at 31 December 2012) with a holding of Prelios equal to 1.2 billion euro (2.1 billion euro at 31 December 2012). The asset under management included 6.0 billion euro properties (8.7 billion euro at 31 December 2012) and 0.2 billion euro Non Performing Loans (1.0 billion euro at 31 December 2012). Such reduction in asset under management in the NPL sector mainly resulted from the termination of Crédit Agricole SPV mandates for the purposes of the strategic decision to recover management and operating autonomy.

With regard to asset allocation by geographical area, out of 6 billion euro real estate assets under management 73.5% refer to Italy, 25.4% to Germany and to 1.0% Poland.

Consolidated net equity was negative for 66.3 million euro (80.4 million at 31 December 2012). Considering the conversion of the convertible loan (that will be illustrated here below) the consolidated net equity is equal to 169.6 million euro. The **Group equity for the period** was negative for 69.1 million euro (74.2 million at the end of 2012). The change is primarily attributable to the negative result for the period for 332.8 million euro and to the positive effect of the recent capital increase transaction.

The net financial position[9] was negative for 388.4 million euro (that was negative for 370.3 million euro at November 2013), recording an improvement against 31 December 2012 (when it was negative for 520.5 million euro) as it was positively impacted by the aforementioned financial strengthening and financial debt rescheduling extraordinary transaction.

Performance of the Business Divisions at 31 December 2013[10]

ITALY REAL ESTATE

The EBIT, excluding the negative impact of the impairment test on the management platform goodwill amounting to 5.8 million euro, is negative for 21.8 million euro, compared to the negative value of 11.1 million euro of 2012, which was positively impacted by the one-off proceeds worth 3.7 million euro for the termination of a contract relating to previous years. The result consisted of 4.7 million euro from management platform proceeds (11.5 million euro in the corresponding

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6 The value is determined by summing up the sales of properties realised by the consolidated companies, the 100% sales of the properties of affiliated companies, joint ventures and funds in which the Group has a holding of at least 5% at 31 December 2013.

7 The assets under management, excluding the NPLs valuated at book value, is expressed by the OMV based on the estimates and analyses of the independent appraisers. The OMVs determined by the independent appraisers do not take into consideration the possible dispo plan acceleration with respect to the reasonable time span required for the marketing activity, considering the type of asset and the market situation and any discounts in case of sales en bloc or deriving from sale mandates.

8 Asset under management including about 0.4 billion euro relating to the fund Spazio Industriale, in which the subsidiary Prelios SGR S.p.A, has a holding, that was transferred during 2Q 2013, but which continues to be managed through the parent company investment division and includes 0.1 billion euro relating to Lucchini areas managed by the company Bielany Project Management 40% controlled by Prelios S.p.A.

9 Excluding receivables for shareholder loans.

10 It should be recalled that the results indicated in this paragraph (net of restructuring costs and property writedowns/revaluations) refer to the result of the service activities as well as to investment activities and include the proceeds from shareholder loan, while they do not include the relevant G&A/holding costs.

period of last year) and from investment activities, that had a negative impact for 26.5 million euro (which were negative for 22.6 million euro at December 2012). The still very weak market context is characterised by a resumed interest of investors, in particular international investors, in the market, however having repricing requests that have substantially shrunk the market in the second half of last year. This did not allow the advocated acceleration of the dispo plans; therefore, even if costs have decreased against 2012, the result of the investment activities remains negative.

In particular, as regards the performance and perspectives of each service of the domestic management platform, the following should be noted:

- **Fund Management** reported revenues of 21 million euro vs. 23.3 million euro in the same period of 2012. The Company EBIT in 2013 is equal to 7.6 million euro (8.5 million euro at 31 December 2012); now this activity has to face the "*maturity*" of the entire sector, i.e. a high number of funds that will expire in the next two years, with the consequent presence on the market of significant properties volumes and a possible price tension. Also in order to prevent this possible future critical issue, on 26 March 2014 Prelios SGR has started, with a restricted number of selected counterparties, a due diligence phase aimed at verifying options for the improvement of the real estate asset portfolio of Olinda Fondo Shops, a retail real estate fund managed by the Company, and is carefully monitoring the evolution of the legislative framework, waiting for the advocated decrees for the extension of the expiring funds.
- **Integra** (former Property & Project) generated revenues for 15.2 million euro at 31 December 2013 (15.6 million euro in the same period of 2012), while the EBIT is equal to 0.8 million euro (5.8 million euro at December 2012, which was positively impacted, as already recalled, by the one-off proceeds due to the termination of a contract relating to previous years); the decrease recorded is primarily due to the revenue decline in the public sector, which in 2012 benefited from the revenues deriving from extraordinary maintenance activities regarding a real estate lot of Inps assets. Following the reduction of the asset portfolio in Germany, the Company is working on the integration between the two Countries of shopping centres management services, importing the know how developed by the German platform over the years, the high value added work of which was assigned several prizes and acknowledgments over the years. Through this integration, effective starting from the second half of 2014, it will be possible to access the premium market of shopping centers with an integrated portfolio of cross-border services and activities.
- **Agency**[11] recorded revenues for 1.6 million euro (5.3 million euro in the past year) with a negative EBIT for 3.4 million euro (negative for 2 million euro at December 2012). The persistent crisis of the real estate sector that caused a significant slowdown in the number and size of transactions, impacted the Agency results more than the results of other operating companies. Consequently, the company started a process of restructuring and strategic repositioning of the commercial supply, definitely exiting the sector of franchising agency activities carried out for retail clients in order to focus exclusively on institutional agency and on agency targeting international operators. The sale of the franchising network was completed on 27 September 2013 through the disposal of the company Brand for Agency Services S.r.l. to the company Re/Max.
- **Valuations** (the Group company operating in the sector of appraisal of single properties and real estate assets for office/light industrial and residential use, specialised in valuation services to banks) recorded revenues for 3.4 million euro (4 million euro at 31 December 2012) with a positive EBIT for 0.4 million euro (positive for 0.2 million euro at December 2012). The trend of the "Loan Services" activity declined as a result of the loss of an

11 Values referred to the institutional component, net of the franchising activities disposed, as previously disclosed to the market, on 27 September 2013.

important contract, conversely the “Full Appraisals” activity for companies, institutional investors and real estate funds, increased its revenues by 38% in 2013 vs. 2012. The Company is successfully positioning itself as leader service provider in the banking sector, also considering the challenging deadlines of the banking system related to the European Asset Quality Review.

GERMANY REAL ESTATE

Following to the aforementioned transaction relating to the disposition of DGAG German residential portfolio to the company Buwog (100% owned by the Austrian Group Immofinanz), together with the related management platform of Prelios Deutschland, Prelios services portfolio in Germania is focused on the commercial management services platform characterised by higher margins.

The German services platform revenues at 31 December 2013 totalled 17.9 million euro, recording an increase vs. 14.2 million euro of the previous year.

The **EBIT** is positive for 5.9 million euro, while last year the result was positive for 0.1 million euro. Such result consists of 5.3 million euro from the management platform (0.6 million euro in the same period of 2012), and of 0.6 million euro from investment activities (-0.5 million euro at December 2012).

POLAND REAL ESTATE

The **EBIT**, excluding the negative impact of the impairment test on the management platform goodwill amounting to 3.3 million euro, is negative for 2 million euro (that was negative for 0.5 million euro at December 2012). The result consisted of the negative result for 4.7 million euro from the management platform (that reached break-even at December 2012) and of the negative value for 1.5 million euro relating to the investment activity (-0.5 million euro at 31 December 2012). In particular, the completion of the city-planning procedure leading to a potential development of at least 400,000 sq. m. in the ex-Lucchini area, located in Warsaw, of which Prelios holds 40%, is underway. The result is influenced by operating and financial costs related to the activity for the area improvement.

NON-PERFORMING LOANS

Following to Prelios decision - in line with its strategy to position itself as “*pure management company*” - to repurchase 20% of Prelios Credit Servicing shareholding from Crédit Agricole, the Company dealt with a thorough re-organization process during the year, with an important commitment for the management, in order to reposition itself on non-captive activities.

The **EBIT** is positive for 1.5 million vs. 2.2 million euro in 2012 (excluding the negative impact of the impairment test on the management platform goodwill equal to 1 million euro in 2013 and 3.4 million euro in 2012, as well as the portfolio impairment loss equal to 17 million euro in 2013 and to 61.6 million euro in 2012). Such result consisted of the management platform result negative for 3.2 million euro (0.1 million euro at 31 December 2012) and of the NPL portfolio investment activity result positive for 4.7 million euro (positive for 2.1 million euro at December 2012). Considering the negative impacts relating to the NPL portfolio impairment value and to the impairment test on the platform goodwill, the EBIT is negative for 16.5 million euro in 2013 vs. a negative value of 62.8 million euro in 2012.

The **collections**[12] of non performing loans were equal to 94 million euro vs. 178 million euro at December 2012.

The parent company Prelios S.p.A. at 31 December 2013

The Board of Directors of Prelios S.p.A. examined and approved also the Company's draft financial statements at 31 December 2013.

Operating revenues amounted to 13 million euro, vs. 17.6 million euro of the previous year, and mainly refer to staff services performed centrally by the Parent Company, provided to subsidiary companies, as well as to cost recovery regarding offices, brand use and asset management fees, partially charged back to subsidiary companies. The decrease compared to the previous period refers mainly, for 3.2 million euro, to the fees for staff services provided to subsidiary companies; such reduction is largely due to the transfer, starting from 1 July, of a large part of functions (like purchasing, treasury, information technology, human resources) from the holding company to the company Servizi Amministrativi Real Estate S.p.A., which performs the activities for the other group companies, including Prelios S.p.A. Also the reduced cost recovery by offices from subsidiary companies, which decreased from 3 million euro in total in 2012 to nearly 2.1 million euro in 2013 - following to the lower cost sustained by Prelios S.p.A. for the offices of Milan and Rome - contributed to decreasing operating revenues.

The operating result including the result from equity investments is negative for 202.5 million euro against a negative value for 186.9 million euro in 2012. The decrease is mainly due to the almost total lack of dividends paid out by the participated companies: 0.1 million euro at 31 December 2013 vs. 40.2 million euro in 2012, partially offset by the decreasing impairment values of equity investments (which, net of writedowns included in item "Result from assets held for sale", decrease from 199.8 million euro of 2012 to 174.3 million euro of 2013).

The net equity at 31 December 2013 was negative for 113 million euro compared to the positive value of 4.6 million euro at 31 December 2012; such change is mainly attributable to the result for the period negative for 299.8 million euro.

As reported in the paragraph below, such circumstance results in the automatic conversion of the entire convertible debenture loan recognised in the financial statements at 31 December 2013 for an amount of 235.9 million euro and in the implementation of a capital increase serving exclusively the conversion.

In the situation re-determined at 31 December 2013 the Parent Company net equity is equal to 122.9 million euro, already factoring in the conversion of the convertible debenture loan.

Conversion of the convertible debenture loan

It should be recalled that, in the framework of the debt rescheduling agreements with Prelios lenders and following to the extraordinary transaction for the group financial strengthening and rebalancing completed in 2013, Prelios issued n. 233,534 bonds convertible into ordinary shares and/or class B shares, with no option right, for an amount equal to a face value of Euro 233,534,000.00, with the consequent capital increase exclusively serving the conversion, in tranches, for a maximum amount of Euro 258,401,789.44, to be made through the issue of

12 The value is determined by summing up the collections of NPLs made by the consolidated companies with the 100% collections of the affiliated companies and joint ventures in which the Group has equity investments.

maximum n. 434,069,863 ordinary shares and maximum n. 125,446,190 class B shares, without face value, enjoying regular dividend, having the same characteristics of those outstanding at issue date.

Such bonds, that were not requested to be listed, were subscribed by the Company Lenders (i.e. the Lending Banks[13]) and Pirelli & C. S.p.A.[14], and namely:

- N. 116,042 bonds (pari al 71.1% of the total issued bonds) represent *tranche* A, convertible into ordinary shares, and have subscribed by the Lending Banks and by Pirelli & C. S.p.A.;

- N. 67,492 bonds (pari al 28.9% of the total issued bonds) represent *tranche* B, convertible into class B shares, and have been subscribed by Pirelli & C. S.p.A.

Considering the amount of Prelios S.p.A. loss for the period, the Board of Directors ascertained the occurrence of the presuppositions envisaged by article 8 of the Convertible Loan Regulation, that envisages the compulsory early repayment by conversion of Prelios convertible debenture loan, should the Company find itself in any of the two cases envisaged by articles 2446 and 2447 of the Italian Civil Code.

Consequently, the compulsory early repayment of the same Loan will be enforced by conversion of the convertible debentures and a capital increase exclusively serving the conversion will be implemented through the issue of number 229,757,292 ordinary shares and number 93,390,705 class B shares, for an overall countervalue of Euro 236,544,333.80 pursuant to the Convertible Loan Regulation and based on the decisions adopted by the Conversion and Calculation Agent Bank (BNP Paribas Securities Service) that shall be binding for the Company and the Bondholders pursuant to the aforementioned Regulation.

The table below shows the details of the bonds held, % holding, loan and relevant conversion shares to be assigned to each bondholder at the date of the early compulsory repayment, following the full conversion of the convertible debenture loan:

[13] Intesa Sanpaolo S.p.A., UniCredit S.p.A., Monte dei Paschi di Siena S.p.A., Banca Popolare di Milano S.c.a.r.l., Banca Popolare di Sondrio S.p.A., Banca popolare dell'Emilia Romagna Soc.Coop., Banca Carige S.p.A. and UBI Banca Soc.Coop.p.A. (former Centrobanca – Banca di Credito Finanziario e Mobiliare S.p.A.) – Banca IMI S.p.A. is Agent Bank.

[14] For further details reference should be made to the Regulation of convertible debenture loan called "Prelios Convertible Loan 2013-2019" (the "Convertible Loan Regulation") and to the Company By-Laws available on the Company website at www.prelios.com , section *corporate governance*.

***Tranche* A**			
Bondholder	n. of bonds held	% tranche A and tranche B	n. of conversion ordinary shares
Pirelli & C.	80,880	34.633%	111,916,082
Unicredit	29,910	12.808%	41,387,364
Intesa Sanpaolo	12,915	5.530%	17,870,872
Banca Popolare Milano	12,452	5.332%	17,230,205
Banca Monte dei Paschi	12,452	5.332%	17,230,205
Banca Popolare di Sondrio	4,981	2.133%	6,892,359
Banca Popolare Emilia	4,981	2.133%	6,892,359
Banca Carige	4.981	2.133%	6,892,359
UBI Banca	2,490	1.066%	3,445,487
Total	166,042	71.100%	229,757,292
***Tranche* B**			
Bondholder	n. of bonds held	% tranche A and tranche B	n. of conversion class B shares
Pirelli & C.	67,492	28.900%	92,381,024

The execution of the conversion is scheduled for 14 April 2014.

Considering the share capital amount, as it is certified following to the conversion and to the relevant capital increase, Prelios S.p.A. result for the period amounts to a loss exceeding one third of the share capital, with the consequent occurrence of the case envisaged by art. 2446 of the Italian Civil Code, as highlighted in the Re-Determined Balance Sheet attached to this press release, which takes into account the aforementioned conversion into Company shareholders' equity of the convertible debenture loan.

The new total shareholdings of the relevant shareholders following to the full execution of the convertible debenture loan conversion will be notified to those concerned in accordance with the currently applicable regulatory provisions.

The Company has started the appropriate initiatives vis-à-vis the main Lender Shareholders for the purposes of a coordinated and agreed financial support to sustain the completion of Prelios Group industrial re-launch and and development, that is reasonably expected to be obtained in a very short term and, in any case, no later than the approval of the new Business Plan, that will take place concurrently with and within the terms envisaged for the approval of the Interim Report at 31 March 2014.

The Company also believes that its Lender Shareholders are positively ready to possible collaborations and business synergies at arm's length, for the purposes of an increase of Prelios services and AUM.

2013 Achievements

During 2013, following to the organizational re-positioning and commercial strengthening of the service companies, the Group started to develop several business development initiatives in order to be assigned new mandates and/or to increase the assets under management. Specifically, the following important commercial targets have been achieved:

- Prelios SGR has been awarded contracts for the establishment and management of real estate mutual funds reserved for qualified investors: the fund Parchi Agroalimentari Italiani (PAI) which, as known, will develop in Bologna the F.I.CO. (Fabbrica Italiana Contadina) project, destined to become the reference point for the dissemination and knowledge of the Italian agriculture and food sector, a transaction underwritten by about 20 high standing institutional investors; the real estate fund promoted by CNPADC (Cassa Nazionale di Previdenza e Assistenza Dottori Commercialisti), based on equity raising, that is expected to start operating by a first underwriting in cash for 50 million euro, destined to raise up to 300 million euro;

- new real estate due diligence, valuation and consulting service mandates for the improvement and value increase of assets as well for the real estate cost efficiency improvement for leading Italian corporate entities and banks, through which the business unit "Integrated Services Italia" (made up by the leading arranger Prelios Integra, as well as by Prelios Agency and Prelios Valuations) increased substantially its panel of third party clients, by confirming itself as leading operator in the non captive market;

- start of numerous collaborations by Prelios Credit Servicing S.p.A. that, as previously reported, has recovered its management autonomy through the repurchase by Prelios of 20% of the company shareholding from Calyon, hence having 100% control on the company. During 2013 numerous mandates have been obtained by various national credit institutes, for a total amount of over 500 million euro gross book value (GBV), relating to the recovery of non performing loans in court and out-of-court and to the support for the sale of non performing loan portfolios;

2014-2016 Guidelines

The macroeconomic scenario of reference is still characterised by significant uncertainties also with regard to the economic growth perspectives in general. The persistent crisis, though in a context showing the first weak signs of a possible recovery, impacts the real estate sector characterised by a persistent weakness at financial level in particular.

Considering 2013 actual data – largely determined by the acceleration of the processes for the efficiency improvement and rationalization of the activities that are no more deemed strategic, including the sale transaction in Germany – together with a still weak market context, the BoD examined and approved the guidelines, substantially superseding the previous plan, that will be the basis for the development of the new Business Plan that the management committed to present at the Board's Meeting that shall approve the data of the first quarter 2014.

The Guidelines approved today are the following:

- confirmation of the "pure management company" business model, with a strong focus on service platform and strengthening on the market of the three core segments: asset management, through Prelios SGR; property and technical services (facility), through Prelios Integra; NPL portfolio management, throught Prelios Credit Servicing;
- intensive business development activities – to integrate actions already finalised and under execution – in order to increase asset under management and revenues from third-party client service platform. The strategic goal is to significantly decrease the past dependence on business captive, while increasing the exposure of operating companies to the premium segments of the served markets (higher margins, multi-year term contracts);

- further rationalization of central costs with the purpose of recovering efficiency, which, together with the market re-positioning of the service companies towards higher value added areas, will lead to a significant margin recovery in the three-year period;
- selective disposition of co-investments during the plan term, aimed at protecting the asset value in the current, still weak market context.

In particular, in the framework of the cost efficiency activity and following the already significant cost saving process carried out in the course of 2013 – that resulted in G&A cost reduction by about 14 million euro against 2012 – the Company believes that it possible to proceed to a further efficiency recovery, mainly focused on the holding company central costs in relation to the progressive disposition of the equity investment portfolio and to the consequent lower complexity of the management and operations of the same holding company.

Finally, in the framework of the projects aimed at guaranteeing the financial needs, some corrective actions have been identified to mitigate the planned cash outlays that will be accurately defined upon approval of the business plan in May.

As regards the commercial action, in a general perspective of growing development and re-launch of management and real estate services, the Group started to develop numerous business development initiatives in order to be assigned new mandates and/or to increase assets under management on behalf of third parties. It should be noted that for the purposes of integrating the development operations already completed and/or under execution, the Group is also currently engaged:

- in taking part in the most relevant transactions in Italy for the improvement of assets with underlying or collateral real estate assets, acting from time to time with several management partners and equity providers with whom negotiations are in progress, concerning the structuring and management of special purpose vehicles for the purchase – on behalf of third party investors – of real estate assets, of NPL portfolios and of the so-called "*asset repossessed*" owned by banks and leasing companies;
- in structuring new real estate funds (even by taking over the management of already existing funds managed by third party asset management companies) and/or in enlarging the already operating funds included in the fund portfolio managed by Prelios SGR;
- in managing business development activities with a synergic view among the various Group service companies, with the purpose to maximise value creation, subject to the characteristics of operating autonomy typical of the single companies as legal entities;
- in developing the service platform existing in Germany, focused on the management of retail assets, with the double and synergic goal to share the management know how, by supporting Italian institutional investors in foreign real estate investments and, on the other hand, to channel German institutional investors to the Italian market.

Events occurred after the closing of the period

As already disclosed to the market, on 12 February 2014 the company RE S.à.r.l., a joint venture 60% controlled by a fund managed by Deutsche Asset & Wealth Management Real Estate (Deutsche Bank group) and 40% by Prelios S.p.A., reached an agreement with the company Buwog, 100% controlled by the Austrian group Immofinanz, for the disposal of the shares of the real estate companies owning the German residential asset portfolio known as DGAG. The transfer of the platform of Prelios Deutschland (a company 100% controlled by Prelios S.p.A.) that provides technical and administrative services to the aforementioned residential portfolio is connected with the transaction, promoted and defined by the majority partner Deutsche Asset & Wealth Management Real Estate (Deutsche Bank group). The transaction falls within the framework of the process for the implementation of the new business model launched in 2013 whereby Prelios is a manager of a portfolio of integrated real estate services, focusing its human and financial resources on higher value added segments of the European real estate market. By such transaction, Prelios Group is further focusing its operating presence in Germany in the high value added "premium" segment of shopping centers and highstreet retailing. The transaction is expected to be closed by June 2014.

Agreement reached on MOU between Prelios Group and Fortress Group

In line with the aforementioned strategic orientation and with the purpose to re-launch the business development perspectives also by external lines, the Company started – with the assistance of its advisors – projects aimed at making business partnerships. In particular, as already disclosed to the market, contacts were made with the well known private equity international Fund **Fortress Investment Group Ltd**, majority shareholder of the companies Torre SGR S.p.A. and Italfondiario S.p.A., operating in the management of real estate mutual funds and of non performing loans respectively, with the purpose to valuate the feasibility and the interest of possible integrations with Prelios Group, in particular in the sectors of real estate asset management and non performing loans.

Following the activities and exchange of information carried out so far and the relevant negotiations, we have currently reached an agreement on a Memorandum of Understanding between Prelios and Fortress which confirms the mutual interest to continue the valuation of the possible integrations, according to criteria and equity interest in both business sectors to be defined, while waiting for the subsequent steps, including the due diligence, and the consequent negotiations.

The preliminary agreements reached regard, in particular, the next activities to be performed, the relevant timing and the structure of the transaction, which – at today's date – would envisage the option of integration between Prelios Società di Gestione del Risparmio S.p.A. and Torre SGR S.p.A. (operating in the real estate asset management sector) and between Prelios Credit Servicing S.p.A. and Italfondiario S.p.A., (operating in the NPL sector), respectively.

In the framework of the subsequent negotiations,– in addition to the typical issues regarding the shareholders' agreements and the governance – also other aspects will be further analysed that are deemed significant for the progress of the valuations, regarding namely: (i) business rationale and goals of the integration to develop the business plan of the combined entities and to identify the relevant synergies; (ii) the roles of Prelios and Fortress in the integration framework; (iii) further contributions that may be potentially brought in by Prelios and Fortress for their partnership development and, in particular, the analysis of possible synergies with other service companies of Prelios Group.]

The progress of the transaction will be disclosed to the market in compliance with the timing and criteria envisaged by the currently applicable regulatory provisions.

Business outlook

From the operation viewpoint, also 2014 is a transition year, in which the management will be focused on the actions required to achieve the objectives set in the Guideliines and subsequently in the new Business Plan, by strengthening and increasing business development, in particular the services business, in line with the Group “pure management player” strategy, adequately supported by a sustainable equity and cash flow structure.

It is possible that starting from the third quarter 2014 a limited and marginal cash is needed, in any case this has to be verified after the announced mitigation transactions. In relation to this requirement and, consequently, in relation to the need to have available further cash flows with respect to those that may be generated by the core business and that are currently foreseeable, the directors are confident – based on the current relations - in the main Lenders’ readiness to face the company financial needs by means of transactions that support the current financial structure so as to enable Prelios Group to operate in a situation of business continuity with new growth and development perspectives.

2014 Shareholders’ Meeting

The Board of Directors has resolved to call for the Shareholders' Meeting that shall approve the 2013 financial statements, giving mandate to the Chairman to identify the day, venue and time of the meeting that will be held in a time range between 20 May and 20 June 2014.

The Shareholders' Meeting will be requested to resolve in **ordinary session** upon the following:

1. Approval of the Financial Statements as at 31 December 2013 and relevant and consequent resolutions;
2. Measures to be adopted pursuant to article 2446 of the Italian Civil Code and relevant and consequent resolutions;
3. Measures to be adopted pursuant to article 2364, paragraph 1, number 2), of the Italian Civil Code and relevant and consequent resolutions (appointment of a director);
4. Remuneration Report: consultation on the Remuneration Policy

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The Financial Reporting Officer of Prelios S.p.A. Dr. Marco Andreasi, certifies - pursuant to art. 154-bis, par. 2, of the Consolidated Finance Act (Italian Legislative Decree 58/1998) - that the accounting information contained in this press release corresponds to the Company's underlying documentary records, books of account and accounting entries.

This press release, and in particular, the section “Business outlook”, contains forecast statements. These forecasts are based on the current estimates and projections of the Group in relation to future events and, by their nature, these are subject to inherent risk and uncertainty elements. The actual results could be significantly different from those contained in said forecasts due to several factors, including a continuous volatility and a further deterioration of capital and stock markets, any change in macroeconomic conditions and in the economic growth, and any other change in business conditions, in addition to other factors, the majority of which is not under the Group’s control.

This press release contains references to the following primary alternative performance indicators for the purposes of better evaluating the Prelios Group operating performance: (i) the EBIT, which is determined from the operating result to which the result from investments shall be added, and income from shareholder loans net of restructuring costs and real estate asset writedowns/revaluations, excluding the NPL impairment; (ii) the net financial position, represented by gross financial debt less cash and other cash equivalents and other current financial receivables. The aforementioned alternative performance indicators have not been audited by the independent auditors.

In compliance with CONSOB Communication 6064291 of 28 July 2006, the statements attached hereto have not been audited by the independent auditors Ernst & Young S.p.A.

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1) PRELIOS GROUP - Reclassified consolidated income statement

(Euro/milion)	DICEMBRE 2013		DICEMBRE 2012	
Consolidated revenues:	73.1		85.9	
of which services	*68.6*		*79.8*	
of which others	*4.5*		*6.1*	
Management platform: operating result before restructuring costs, *impairment* and property writedowns/revaluations	(5.1)	(5.4)	2.5	2.6
Management platform: net income from equity investments before restructuring costs and property writedowns/revaluations	(0.3)		0.1	
Management platform: *impairment* management platform	(10.1)		(3.4)	
Total management platform: Operating result	**(15.5)**		**(0.8)**	
Investment activities: operating result before restructuring costs, loss from NPL porfolio valuation and property writedowns/revaluations	(24.8)	(22.7)	(20.6)	(21.5)
Investment activities: net income from equity investments before restructuring costs and property writedowns/revaluations	(6.7)		(11.1)	
Investment activities: income from shareholder loans (*)	8.8		10.2	
Investment activities: losS from NPL portfolio valuation	(17.0)		(61.6)	
Total investment activities: Operating result	**(39.7)**		**(83.1)**	
Operating result	**(55.2)**		**(83.9)**	
Financial expenses	6.6		(52.0)	
Profit (loss) before one off property tax, restructuring costs, property writedowns/revaluations and income taxes	**(48.6)**		**(135.9)**	
Restructuring costs	(42.6)		(18.8)	
Property writedowns/revaluations	(84.0)		(77.8)	
Result before taxes	**(175.2)**		**(232.5)**	
Income taxes	(16.0)		(9.5)	
Net income (loss) from continuing operations	**(191.2)**		**(242.0)**	
Minority interests	1.0		(0.7)	
Consolidated net income/(loss) before discontinued operations	**(190.2)**		**(242.7)**	
Net income (loss) from discontinued operations	(142.6)		1.0	
Consolidated net income/(loss)	**(332.8)**		**(241.7)**	

(*) This amount consists mostly of interest income on financial receivables due from associates and *joint ventures* .

2) PRELIOS GROUP - Reclassified Consolidated Income Statement

(Euro/milion)	DECEMBER 2013	DECEMBER 2013 PRO-FORMA (2)	DECEMBER 2012
Fixed assets	**353.2**	**353.2**	**611.7**
of which investments in real estate funds and investment companies and shareholder loans granted (1)	*290.5*	*290.5*	*455.2*
of which goodwill	*56.4*	*56.4*	*144.8*
Net working capital	**14.7**	**14.7**	**55.1**
Discontinued operations	**26.4**	**26.4**	**0.0**
Net invested capital	**394.3**	**394.3**	**666.8**
Equity	**(66.3)**	**169.6**	**80.4**
of which group equity	(69.1)	166.8	74.2
Provisions	**71.2**	**71.2**	**65.9**
Net financial position	**388.4**	**152.5**	**520.5**
Liabilities relating to discontinued operations	**1.0**	**1.0**	**0.0**
Total covering net invested capital	**394.3**	**394.3**	**666.8**

(1) The item includes equity investments in associates, joint ventures and other equity investments (169.9 million euro), receivables for shareholder loans (110.7 million euro), investments in real estate funds (11.2 million euro, recognised among "Other financial assets" in the consolidated balance sheet) and junior notes (11.3 million euro, recognised among "Other financial assets" in the consolidated balance sheet). The figures for December 2013 and December 2012 include provisions for equity investment writedowns of 12.6 million euro and 2.8 million euro respectively.

(2) Pro-forma data as at December 2013 already consider the capital increase following to the total conversion of the Convertible loan, including interests as of December

3) PRELIOS - Assets Under Management by country and segment

(Euro/billion)		Market Value DECEMBER 2013 (****)		Market Value DECEMBER 2012 (****)
TOTAL ASSET UNDER MANAGEMENT (*)		**6.2**		**9.7**
NON PERFOMING LOANS		**0.2**		**1.0**
REAL ESTATE		**6.0**		**8.7**
of which partecipated		4.1		6.7
of which ITALY	4.4	**74%**	4.9	**56%**
of which GERMANY/POLAND (**)	1.6	**26%**	3.8	**44%**
	6.0		**8.7**	
ITALY participated				
DEVELOPMENT & OTHER (***)		0.4		0.5
RESIDENTIAL & TRADING		0.4		0.5
COMMERCIAL		1.7		1.8
TOTAL ITALY		**2.5**		**2.9**
GERMANY partecipated				
RESIDENTIAL & TRADING		0.0		1.1
COMMERCIAL		1.5		2.7
TOTAL GERMANY		**1.5**		**3.8**
POLAND partecipated				
DEVELOPMENT & OTHER		0.1		0.1
TOTAL POLAND		**0.1**		**0.1**

(*) Assets under management inclusive of approximately 0.4 billion euro related to the Spazio Fund, no longer under management of the subsidiary Prelios SGR S.p.A., starting from the second quarter of 2013, but still managed by the asset management dept. of the parent company and inclusive of 0.1 billion euro related to the areas managed by the company Lucchini Bielany Project Management (40% Prelios S.p.A.).

(**) At december 2013 Poland is approx 1% on Asset Under Management Real Estate (0.5% at december 2012).

(***) Of which 0.3 billion euro in land at the end of 2013 and 0.4 billion euro at december 2012.

(****) Values determined through appraisal by independent experts at the end of 2013.

4) PRELIOS GROUP - Consolidated income statement

(amounts in thousands of Euro)

	01.01.2013-12.31.2013	01.01.2012-12.31.2012
Revenues from sales and services	73,055	85,897
Changes in inventories of work in progress, semi-finished and finished products	(377)	94
Other income	8,227	14,140
TOTAL OPERATING REVENUES	**80,905**	**100,131**
of which with related parties	*39,241*	*53,951*
of which non-recurring events	*479*	*1,939*
Raw and consumable materials used (net of change in inventories)	(5,802)	(4,554)
Personnel costs	(43,512)	(54,537)
Depreciation, amortization and impairment	(12,904)	(7,572)
Other costs	(100,481)	(76,132)
TOTAL OPERATING COSTS	**(162,699)**	**(142,795)**
of which with related parties	*(7,346)*	*(10,888)*
of which non-recurring events	*(33,425)*	*(18,050)*
OPERATING RESULT	**(81,794)**	**(42,664)**
Net income from equity investments of which:	(108,812)	(143,360)
of which with related parties	*(108,939)*	*(142,338)*
of which non-recurring events	*(9,634)*	*(746)*
- portion of result of associates and *joint ventures*	(87,824)	(128,198)
- dividends	53	1,140
- gains on equity investments	445	3,336
- losses on equity investments	(21,486)	(19,638)
Financial income	52,832	14,150
of which with related parties	*11,833*	*11,411*
of which non-recurring events	*39,862*	-
Financial expenses	(37,382)	(60,604)
of which with related parties	*(4,389)*	*(20,811)*
RESULT BEFORE INCOME TAXES	**(175,156)**	**(232,478)**
Income taxes	(16,088)	(9,489)
of which with related parties	*600*	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**(191,244)**	**(241,967)**
of which attributable to minority interests	(1,031)	709
Net income (loss) from discontinued operations	**(142,625)**	**942**
of which with related parties	*13,457*	*11,050*
CONSOLIDATED RESULT FOR THE PERIOD	**(332,838)**	**(241,734)**

5) **PRELIOS GROUP - Consolidated balance sheet**

(amounts in thousands of Euro)

ASSETS	12.31.2013	12.31.2012
NON-CURRENT ASSETS		
Property, plant and equipment	1,031	1,615
Intangible assets	60,714	151,402
Investments	169,180	236,770
of which held for sale	*3,294*	*3,371*
Other financial assets	24,189	16,577
Deferred tax assets	11,070	24,325
Other receivables	115,980	213,579
of which with related parties	*83,745*	*208,105*
TOTAL NON-CURRENT ASSETS	**382,164**	**644,268**
CURRENT ASSETS		
Inventories	48,406	54,379
Trade receivables	35,055	63,891
of which with related parties	*22,230*	*46,745*
Other receivables	23,560	35,917
of which with related parties	*7,516*	*5,603*
Cash and cash equivalents	85,609	45,090
Tax receivables	6,453	8,465
TOTAL CURRENT ASSETS	**199,083**	**207,742**
DISCONTINUED OPERATIONS	**27,781**	**0**
of which with related parties	*18,800*	-
TOTAL ASSETS	**609,028**	**852,010**
EQUITY	**31.12.2013**	**31.12.2012**
GROUP EQUITY		
Share capital	189,888	218,283
Other reserves	(14,529)	(18,258)
Retained earnings	88,366	115,887
Net income (loss) for the year	(332,838)	(241,734)
TOTAL GROUP EQUITY	**(69,113)**	**74,178**
MINORITY INTERESTS	**2,778**	**6,213**
TOTAL EQUITY	**(66,335)**	**80,391**
LIABILITIES	**31.12.2013**	**31.12.2012**
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	465,101	420,993
of which with related parties	*149,876*	*157,389*
Other payables	915	976
Provisions for future risks and expenses	39,269	24,905
Deferred tax provision	1,723	2,495
Employee benefit obligations	10,255	12,568
Tax payables	1,464	7,376
TOTAL NON-CURRENT LIABILITIES	**518,727**	**469,313**
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	8,988	144,739
of which with related parties	*6,576*	*17,993*
Trade payables	48,116	49,375
of which with related parties	*3,720*	*3,702*
Other payables	52,529	64,060
of which with related parties	*18,746*	*20,639*
Provisions for future risks and expenses	32,615	28,777
of which with related parties	*12,615*	*2,808*
Tax payables	11,983	12,829
of which with related parties	*1,080*	*1,324*
Derivative financial instruments	-	2,526
TOTAL CURRENT LIABILITIES	**154,231**	**302,306**
LIABILITIES RELATING TO DISCONTINUED OPERATIONS	**2,405**	**0**
TOTAL LIABILITIES	**675,363**	**771,619**
TOTAL LIABILITIES AND EQUITY	**609,028**	**852,010**

6) PRELIOS S.p.A. - Separate income statement

(amounts in Euro)

	01.01.2013 12.31.2013	01.01.2012 12.31.2012
Revenues from sales and services	8,017,291	10,721,422
Other income	5,014,779	6,917,552
TOTAL OPERATING REVENUES	**13,032,070**	**17,638,974**
- of which with related parties	*11,680,955*	*15,720,201*
Raw and consumable materials used	(16,440)	(34,738)
Personnel costs	(8,417,527)	(15,991,138)
Depreciation, amortization and impairment	(503,075)	(842,536)
Other costs	(32,456,009)	(32,459,832)
TOTAL OPERATING COSTS	**(41,393,051)**	**(49,328,244)**
- of which with related parties	*(4,896,535)*	*(12,420,605)*
- of which non-recurring events	*(12,055,314)*	*(12,829,979)*
OPERATING RESULTS	**(28,360,981)**	**(31,689,270)**
Net income from equity investments, of which:	(174,191,464)	(155,161,148)
- dividends	53,100	40,153,817
- gains on investments	1,880,466	5,857,557
- losses on investments	(176,125,030)	(201,172,522)
- of which with related parties	*53,100*	*40,153,817*
- of which non-recurring events	*(11,000,000)*	*1,234,568*
Financial income	57,808,445	20,651,555
- of which with related parties	*17,044,153*	*18,689,539*
- of which non-recurring events	*39,861,576*	-
Financial expenses	(36,711,346)	(55,539,441)
- of which with related parties	*(5,111,991)*	*(17,349,866)*
RESULT BEFORE INCOME TAXES	**(181,455,346)**	**(221,738,304)**
Income taxes	(2,539,633)	5,910,252
- of which with related parties	*348,466*	*4,591,659*
NET (LOSS) FROM CONTINUING OPERATIONS	**(183,994,979)**	**(215,828,052)**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	**(115,777,040)**	**1,832,061**
- of which with related parties	*968,659*	*1,832,061*
NET (LOSS) FOR THE YEAR	**(299,772,019)**	**(213,995,991)**

7) PRELIOS S.p.A. - Separate balance sheet

(amounts in Euro)

ASSETS	12.31.2013	12.31.2012
NON-CURRENT ASSETS		
Property, plant and equipment	689,959	274,076
Intangible assets	450,781	763,290
Investments in subsidiaries	91,250,811	247,524,213
Investments in associates and joint ventures	43,415,315	55,633,185
Other financial assets	12,256,503	6,550,580
Deferred tax assets	3,389,424	2,911,064
Other receivables	183,669,403	258,168,660
- of which with related parties	*183,669,403*	*258,112,740*
TOTAL NON-CURRENT ASSETS	**335,122,196**	**571,825,068**
CURRENT ASSETS		
Trade receivables	17,593,488	18,408,365
- of which with related parties	*16,250,824*	*17,014,170*
Other receivables	49,602,403	68,683,408
- of which with related parties	*39,556,161*	*56,988,569*
Cash and cash equivalents	69,007,906	27,895,543
Tax receivables	2,377,404	7,436,302
- of which with related parties	*489,466*	*3,684,344*
TOTAL CURRENT ASSETS	**138,581,201**	**122,423,618**
DISCONTINUED OPERATIONS	**26,049,597**	**-**
- of which with related parties	*18,800,000*	*-*
TOTAL ASSETS	**499,752,994**	**694,248,686**
EQUITY	**12.31.2013**	**12.31.2012**
EQUITY		
Share capital	189,887,983	218,282,782
Other reserves	(3,103,133)	265,298
Net (loss) for the year	(299,772,019)	(213,995,991)
TOTAL EQUITY	**(112,987,169)**	**4,552,089**
LIABILITIES	**12.31.2013**	**12.31.2012**
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	460,603,210	415,154,379
- of which with related parties	*149,876,327*	*157,357,048*
Other payables	912,092	963,156
Provisions for future risks and expenses	31,483,868	8,192,879
Employee benefit obligation	618,530	1,321,485
TOTAL NON-CURRENT LIABILITIES	**493,617,700**	**425,631,899**
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	62,945,842	207,383,364
- of which with related parties	*62,835,842*	*83,486,777*
Trade payables	20,021,726	14,543,864
- of which with related parties	*4,202,293*	*3,239,114*
Other payables	28,447,376	32,915,394
- of which with related parties	*13,351,783*	*16,764,983*
Provisions for future risks and expenses	4,628,927	3,711,731
Tax payables	3,078,592	2,984,284
- of which with related parties	*2,126,634*	*2,984,284*
Derivative financial instruments	-	2,526,061
TOTAL CURRENT LIABILITIES	**119,122,463**	**264,064,698**
TOTAL LIABILITIES	**612,740,163**	**689,696,597**
TOTAL LIABILITIES AND EQUITY	**499,752,994**	**694,248,686**