

**MONTHLY DISCLOSURE PURSUANT TO ART. 114, PARAGRAPH 5, OF LEGISLATIVE DECREE N. 58/98**

*Milan, 30 January 2015* – In compliance with the request sent by Consob on 13 September 2012, pursuant to article 114, paragraph 5, of Legislative Decree 58/1998, the following information is provided on Prelios S.p.A. and its Group, as at 31 December 2014.

**1) Net Financial Position, with current and non-current items reported separately**

**Prelios Group Net Financial Position** at 31 December 2014 is -187.6 million euro, compared to -205.8 million euro at November 2014.

**Prelios S.p.A. Net Financial Position** at 31 December 2014 is -256.9 million euro, compared to -245.3 million euro at November 2014.

Details are provided in the table below.

**Prelios Group Net Financial Position**

(thousands euro)

	12.31.2014 (***)	11.30.2014	12.31.2013
<b>CURRENT ASSETS</b>			
<b>Other receivables</b>	<b>113</b>	<b>113</b>	<b>114</b>
- of which receivable from related parties	113	113	114
Financial receivables	113	113	114
- joint ventures and other Prelios Group companies	113	113	114
<b>Cash and cash equivalents</b>	<b>77,192</b>	<b>58,222</b>	<b>85,609</b>
<b>TOTAL CURRENT ASSETS - A</b>	<b>77,305</b>	<b>58,335</b>	<b>85,723</b>
<b>CURRENT LIABILITIES</b>			
<b>Bank borrowings and payables to other lenders</b>	<b>(8,490)</b>	<b>(9,265)</b>	<b>(8,988)</b>
- of which payable to related parties	(6,576)	(6,576)	(6,576)
- joint ventures and other Prelios Group companies	(6,576)	(6,576)	(6,576)
- Other financial payables	(1,061)	(991)	(1,466)
- Bank borrowings	(755)	(1,600)	(848)
- Payables to other lenders	(98)	(98)	(98)
<b>TOTAL CURRENT LIABILITIES - B</b>	<b>(8,490)</b>	<b>(9,265)</b>	<b>(8,988)</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Bank borrowings and payables to other lenders</b>	<b>(256,434)</b>	<b>(254,851)</b>	<b>(465,101)</b>
- of which payable to related parties	-	-	(149,876)
- Convertible bond (*)	-	-	(235,902)
- Other financial payables	(10,224)	(10,203)	(58)
- Bank borrowings	(246,210)	(244,648)	(229,141)
<b>TOTAL NON-CURRENT LIABILITIES - C</b>	<b>(256,434)</b>	<b>(254,851)</b>	<b>(465,101)</b>
<b>NET FINANCIAL POSITION EXCL. SHAREHOLDER LOANS GRANTED</b>	<b>(187,619)</b>	<b>(205,781)</b>	<b>(388,366)</b>
<b>(**) = D = (A+B+C)</b>			

(\*) On April 14, 2014 the compulsory early repayment of the Convertible Bond was automatically and directly executed through the full conversion of the Convertible Bonds and, therefore, the capital increase for the exclusive service of the conversion was also automatically implemented through the issue of 229,757,292 ordinary shares and 93,390,705 class B shares.

(\*\*) Pursuant to CONSOB Communication dated July 28th, 2006 and in compliance with the CESR Recommendation of February 10th, 2005 ("Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses").

(\*\*\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

## Prelios S.p.A. Net Financial Position

(thousands euro)

	12.31.2014 (***)	11.30.2014	12.31.2013
<b>CURRENT ASSETS</b>			
<b>Other receivables</b>	<b>36,958</b>	<b>37,440</b>	<b>36,848</b>
<i>- of which receivable from related parties</i>	36,958	37,440	36,848
Financial receivables	36,958	37,440	36,848
- subsidiaries	36,958	37,440	36,848
<b>Cash and cash equivalents</b>	<b>31,298</b>	<b>38,627</b>	<b>69,008</b>
<b>TOTAL CURRENT ASSETS - A</b>	<b>68,256</b>	<b>76,067</b>	<b>105,856</b>
<b>CURRENT LIABILITIES</b>			
<b>Bank borrowings and payables to other lenders</b>	<b>(72,510)</b>	<b>(70,279)</b>	<b>(62,946)</b>
<i>- of which payable to related parties</i>	(72,510)	(69,429)	(62,836)
- subsidiaries	(66,182)	(63,101)	(56,509)
- joint ventures	(6,328)	(6,328)	(6,327)
- Bank borrowings	-	(850)	(110)
<b>TOTAL CURRENT LIABILITIES - B</b>	<b>(72,510)</b>	<b>(70,279)</b>	<b>(62,946)</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Bank borrowings and payables to other lenders</b>	<b>(252,642)</b>	<b>(251,056)</b>	<b>(460,603)</b>
<i>- of which payable to related parties</i>	-	-	(149,876)
- Convertible bond (*)	-	-	(235,902)
- Bank borrowings	(242,504)	(240,943)	(224,701)
- Other financial payables	(10,138)	(10,113)	
<b>TOTAL NON-CURRENT LIABILITIES - C</b>	<b>(252,642)</b>	<b>(251,056)</b>	<b>(460,603)</b>
<b>NET FINANCIAL POSITION EXCL. SHAREHOLDER LOANS GRANTED (**)</b> D = (A+B+C)	<b>(256,896)</b>	<b>(245,268)</b>	<b>(417,693)</b>

(\*) On April 14, 2014 the compulsory early repayment of the Convertible Bond was automatically and directly executed through the full conversion of the Convertible Bonds and, therefore, the capital increase for the exclusive service of the conversion was also automatically implemented through the issue of 229,757,292 ordinary shares and 93,390,705 class B shares.

(\*\*) Pursuant to CONSOB Communication dated July 28th, 2006 and in compliance with the CESR Recommendation of February 10th, 2005 ("Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses").

(\*\*\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

## 2) Past due payables, recorded by category (financial, trade, tax, social security and amounts due to employees) and any associated actions by creditors (reminders, injunctions, suspended deliveries, etc.):

**Prelios Group** past due **trade payables** total 7.4 million euro (10.1 million euro at November 2014), today reduced to 4.6 million euro following to payment of 2.8 million euro in January 2015.

This situation falls within the scope of the customary business relations with Prelios Group suppliers.

**Prelios S.p.A.** past due **trade payables** total 2.6 million euro (3.6 million euro at November 2014), today reduced to 1.8 million euro following the payment of 0.8 million euro in January 2015.

There are no legal disputes, court proceedings or suspended deliveries associated with the above items. Any payment reminders are part of normal business relations.

**There are no past due amounts of a financial or tax nature, or amounts due to social security institutions or to employees.**

### 3) Prelios Group and Prelios S.p.A. dealings with Related Parties:

Dealings with related parties consisting of subsidiary companies of Prelios S.p.A. or joint ventures and its associated companies (“Intragroup Dealings”), and dealings with related parties other than intragroup dealings (“Other Related Parties”), in particular Pirelli & C. S.p.A. and its subsidiaries, are of a trade and financial nature, falling within normal business operations, and are at arm’s length. There are no atypical and/or unusual transactions.

It should also be noted that Prelios Group consolidates about 170 companies, most of which are minorities, valued using the equity method, booked under item “Earnings from equity investments”. In order to have monthly data, it would therefore be necessary to implement a chain of processes involving all the companies in question, with an enormous outlay of resources and high costs, which would provide information of limited significance, when considering the business cycle of the real estate sector which updates valuations on a quarterly or half-yearly basis.

It should be noted that the preliminary disclosure concerning the dealings with associated companies, joint ventures and other companies of Prelios Group as well as Prelios S.p.A. subsidiaries, relating to December 2014, reported below, is compared with the data that refer to last 30 September 2014 with regard to balance sheet data and with the data at 31 December 2013 with regard to income statement data. This is due to the fact that the Group’s internal invoicing cycle is essentially quarterly and no significant accounting provisions are made with subsidiary and associated companies in the intervening months. This especially affects operating Revenues and Costs, Financial Income and Charges, current Trade Receivables and Payables, which are items that do not therefore vary significantly in the intervening months.

Disclosed below are **Prelios Group dealings with Other Related Parties** (specifically Pirelli & C. S.p.A., its subsidiaries and other associated companies through directors) **at 31 December 2014 (preliminary data not yet approved), compared with data at 30 November 2014**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	from 01.01.2014 to 12.31.2014 (*)		from 01.01.2014 to 11.30.2014
Operating revenue	116	The item mainly refers to a new agreement with Pirelli Tyres S.p.A. relating to the Bicocca area parking.	71
Operating costs	(2,464)	The item includes costs for renting and expenses for the R&D building charged by Pirelli Group, and the costs for the services provided by the company Poliambulatorio Bicocca S.r.l..	(2,278)
Financial expenses	(408)	These relate to the interest accrued on the convertible bond subscribed by Pirelli & C. S.p.A. from January 1 to April 8, 2014.	(408)

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

	As at 12.31.2014 (*)		As at 11.30.2014
Current trade receivables	16	These mainly refer to receivables from Pirelli Group for the recovery of costs.	18
Other current receivables	1,719	The item mainly includes the guarantee deposit paid to Pirelli & C. S.p.A. for the rental of the R&D building and prepaid expenses related to the rental of that building.	1,856
Current trade payables	(301)	These mainly refer to the payable to Pirelli Tyre S.p.A. for the chargeback of utilities and expenses related to R&D building. They also include payables for health services provided by the company Poliambulatorio Bicocca S.r.l..	(813)

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

Disclosed below are **Prelios S.p.A. dealings with Other Related Parties** (specifically Pirelli & C. S.p.A., its subsidiaries and other associated companies through directors) **at 31 December 2014 (preliminary data not yet approved), compared with data at 30 November 2014**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	from 01.01.2014 to 12.31.2014 (*)		from 01.01.2014 to 11.30.2014
Operating revenue	54	These include the revenue from the sale to Pirelli & C. S.p.A. disply material realised by Prelios Group, the recovery from Pirelli & C. S.p.A. related to HQ building and the recharge of taxes related to the rental of R&D building.	14
Operating costs	(2,464)	The item includes the costs for renting and expenses for the R&D building charged by Pirelli Group, and the costs for the services provided by the company Poliambulatorio Bicocca S.r.l..	(2,278)
Financial expenses	(408)	These relate to the interest accrued on the convertible bond subscribed by Pirelli & C. S.p.A. from January 1 to April 8, 2014.	(408)

	As at 12.31.2014 (*)		As at 11.30.2014
Current trade receivables	11	These mainly refer to receivables from Pirelli Group for the recovery of costs.	13
Other current receivables	1,719	The item mainly includes the guarantee deposit paid to Pirelli & C. S.p.A. for the rental of the R&D building and prepaid expenses related to the rental of that building.	1,856
Current trade payables	(301)	These mainly refer to the payable to Pirelli Tyre S.p.A. for the chargeback of utilities and expenses related to R&D building. They also include payables for health services provided by the company Poliambulatorio Bicocca S.r.l..	(813)

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

Disclosed below are **Prelios Group dealings with associated companies, joint ventures and other companies at 31 December 2014 (preliminary data not yet approved). The income statement data are compared with the same period of 2013, while balance sheet data are compared with data at 30 September 2014**, for which – as above indicated – only a quarterly update is provided:

	from 01.01.2014 to 12.31.2014 (*)		from 01.01.2013 to 12.31.2013
Operating revenue	29,811	The item refers to Group company mandates for fund and asset management services and technical and commercial services.	52,280
Operating costs	(640)	These refer to recharges of various kinds.	(536)
Net income from investments	(13,635)	The item mainly refers to the equity method valuation of Group investments, as well as other investments adjustments.	(112,540)
Financial income	4,556	This mostly refers to interest earned on financial receivables held by Group companies.	15,658
Financial expenses	(313)	This item mainly refers to the "discounting" effects on receivables due from Group companies not consolidated line-by-line.	(228)
Net income (loss) from discontinued operations	8,760	The item refers to the transactions with related parties reclassified in compliance with International Financial Reporting Standards (IFRS 5).	13,457

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

	As at 12.31.2014 (*)		As at 09.30.2014
Current trade receivables	18,742	This balance includes receivables arising from "operating revenue".	15,888
Other non-current receivables	107,684		94,188
- of which financial receivables	107,684	Loans granted to Group real estate projects. These loans are classified as non-current assets with reference of their terms of repayment, which match the medium-term disposal plans of the real estate portfolios owned directly or indirectly by these companies. These loans are granted at market interest rates except for non-interest bearing loans granted to some companies	94,188
Other current receivables	7,115	This includes residual credits of various nature.	6,821
- of which financial receivables	113		113
Discontinued operations/asset held for sale	9,964		25,050
- of which financial receivables	9,964	The item refers to the shareholders' loans granted to the joint ventures Solaia RE B.V. and Jamesmail B.V. that, further to the DGAG portfolio sale agreement, will be reimbursed at the closing date. These amounts are shown as "Discontinued operations/asset held for sale" in compliance with International Financial Reporting Standards (IFRS 5).	25,050
Current trade payables	(2,762)	They refer to various chargebacks, mainly rent, urbanisation charges and accessory costs.	(3,072)
Other current payables	(19,039)	These refer to various chargebacks.	(18,756)
Current tax payables	(1,080)	Amounts due to Trixia S.r.l. further its adoption of the "tax transparency" regime allowed by art. 115 of the Italian Income Tax Code, whereby a company's positive or negative taxable amounts are attributed to its shareholders.	(1,080)
Current bank borrowings and payables to other lenders	(6,576)	These include negative balances on intercompany current accounts and other financial payables arising from capital contributions in Aree Urbane S.r.l. (in liquidation) for Euro 4,892 thousand and Solaia RE S.à.r.l. for Euro 634 thousand.	(6,576)
Provisions for future risks and expenses	(446)	This refers to the provision accrued to cover the losses of associates and joint ventures in excess of their carrying amounts.	(1,157)

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

Disclosed below are **Prelios S.p.A. dealings with subsidiaries and associated companies at 31 December 2014** (preliminary data not yet approved). **The income statement data are compared with the same period of 2013, while balance sheet data are compared with data at 30 September 2014**, for which – as above indicated – only a quarterly update is provided:

	from 01.01.2014 to 12.31.2014 (*)		from 01.01.2013 to 12.31.2013
Operating revenue	9,641	These include mainly fees for general services, and the recovery of costs for office rental, trade mark and other costs. They include also the revenue registered with the subsidiary Edilnord Gestioni S.r.l. (in liquidation) following the resolution of some legal arguments on commission managed for Inpdap.	10,055
Operating costs	(2,384)	These relate mainly to costs for general services provided by the subsidiary Sare S.p.A. and to costs for technical assistance provided by Prelios Valuations & E-Services S.p.A. and Prelios Integra S.p.A..	(2,401)
Financial income	8,266	These refer mainly to interest income accrued on intra-group current accounts and on loans granted to investee companies; they include also the recharge of guarantee costs paid in the interest of subsidiaries.	9,199
Financial expenses	(766)	These include interest expenses accrued on intercompany current accounts, and on the loan in Polish currency from the subsidiary Prelios Polska Sp.z.o.o..	(834)
Income taxes	1,828	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	348
Net income (loss) from discontinued operations	684	The item includes the interests accrued on the portion of the shareholders' loan granted to Prelios Netherlands B.V. related to the DGAG investment, reclassified in compliance with International Financial Reporting Standards (IFRS 5).	969

	As at 12.31.2014 (*)		As at 09.30.2014
Current trade receivables	7,844	These include mainly fees for services provided to the subsidiaries by the Prelios S.p.A., and the recharging of costs for Milan and Rome offices, for the trade mark and other costs.	10,151
Other non-current receivables	100,440	The item refers to the balances of loans granted to investee companies.	97,623
- of which financial receivables	100,440		97,623
Other current receivables	37,946	These include mainly the positive balances of intercompany current accounts between Prelios S.p.A. and its investee companies (financial receivables), and or VAT receivables from subsidiaries that have elected to be consolidated for VAT purposes.	36,775
- of which financial receivables	36,958		36,385
Current tax receivables	2,911	These refer mainly to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	3,538
Discontinued operations/asset held for sale	30,364	The item refers to the shareholders' loans granted to the subsidiary Prelios Netherlands B.V. in order to finance the DGAG portfolio; further to the DGAG portfolio sale agreement, these shareholders' loans will be reimbursed at the closing date. These amounts are shown as "Discontinued operations/asset held for sale" in compliance with International Financial Reporting Standards (IFRS 5).	25,267
Current trade payables	(2,984)	These refer mainly to payables for services rendered, and to the recharging of costs by subsidiaries; they also include, for about Euro 1.2 million, the payable to the associate Progetto Corsico S.r.l. for urbanisation expenses.	(3,619)
Other current payables	(696)	These include Euro 570 thousand of payables to the subsidiary Prelios SGR S.p.A., and VAT payables to subsidiaries that have elected to be consolidated for VAT purposes.	(8,022)
Current tax payables	(1,470)	These refer to payables to subsidiaries that have elected to be consolidated for a group taxation.	(1,546)
Current bank borrowings and payables to other lenders	(66,182)	These refer to negative balances on intercompany current accounts between Prelios S.p.A. and its investee companies (Euro 62,776 thousand), and, for Euro 2,106 thousand, to the balance at December 31st, 2014 of the foreign currency loan obtained from the subsidiary Prelios Polska Sp.z.o.o..	(65,802)

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

Disclosed below are **Prelios S.p.A. dealings with joint ventures and other associated companies at 31 December 2014** (preliminary data not yet approved). **The income statement data are compared with the same period of 2013, while balance sheet data are compared with data at 30 September 2014**, for which – as above indicated – only a quarterly update is provided:

	from 01.01.2014 to 12.31.2014 (*)		from 01.01.2013 to 12.31.2013
Operating revenue	603	These refer mainly to revenues for asset management fees.	1,512
Operating costs	(337)	These relate to rental fee and expenses for the offices in Rome, charged by Fondo Cloe, owner of the building.	(69)
Net income from investments	15,934	This refers mainly to the dividend distributed by the company Mistral RE B.V..	53
Financial income	3,770	These refer essentially to interest income accrued on loans granted to investee companies.	7,845
Financial expenses	(29)	These refer essentially to the financial expenses for the net present value effect of a trade receivable from a joint venture. At December 31st, 2013 these included the interests accrued on the payable to Espelha - Serviços de Consultadoria LdA for the deferred payment for the purchase of Class C junior notes.	(117)

	As at 12.31.2014 (*)		As at 09.30.2014
Current trade receivables	2,563	These mainly relate to receivables for asset management fees.	2,433
Other non-current receivables	45,628	This refers to loans granted to investee companies. These loans are classified as non-current assets with reference of their terms of repayment, which match the medium-term disposal plans of the real estate portfolios owned directly or indirectly by these companies. These loans are granted at market interest rates except for non-interest bearing loans granted to some companies.	45,324
- of which financial receivables	45,628		45,324
Other current receivables	380	These mainly include receivables for payments made by Prelios S.p.A. for some participated companies.	901
Current trade payables	(206)	These refer to the payables to Fondo Cloe for rent and expenses for the offices in Rome.	(336)
Other current payables	(5,026)	These mainly include payables to joint ventures of the DGAG group for costs recharged to Prelios S.p.A..	(5,025)
Current tax payables	(1,080)	Amounts due to Trixia S.r.l. further its adoption of the "tax transparency" regime allowed by art. 115 of the Italian Income Tax Code, whereby a company's positive or negative taxable amounts are attributed to its shareholders.	(1,080)
Current bank borrowings and payables to other lenders	(6,328)	These refer to the balance of the intercompany current account with Jamesmail B.V. and to other financial payables arising from capital contributions in Aree Urbane S.r.l. (in liquidation) for Euro 4,892 thousand and Solaia RE S.à.r.l. for Euro 634 thousand.	(6,328)

Thousands euro.

(\*) Preliminary data, not approved at the reporting date and subject to changes, even significant, due to the assessment of financial items and subsequent events.

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The Financial Reporting Officer of Prelios S.p.A., Dottor Marco Andreasi, attests – pursuant to Art. 154-bis, paragraph 2 of the Financial Markets Consolidation Act (Italian Legislative Decree 58/1998) – that the accounting disclosures contained in this press release correspond to the contents of the documents, registers and accounts of the Company.

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**For further information:**

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