



PRESS RELEASE

PRELIOS: ISSUE OF COMPULSORY CONVERTIBLE DEBENTURES

THE EXACT AMOUNT HAS BEEN DETERMINED IN EURO 233.5 MILLION, FOLLOWING TO COMPLETION OF CAPITAL INCREASE WITH OPTION RIGHTS FOR 115 MILLION EURO

ALL MEASURES IDENTIFIED FOR THE GROUP EQUITY STRENGTHENING AND INDUSTRIAL RE-LAUNCH HAVE BEEN IMPLEMENTED

Milan, 26 August 2013 – Following to what has been previously disclosed and, in particular, to what has been disclosed on 10 June 2013, Prelios S.p.A. informs that, further to the completion – already disclosed to the market – of the capital increase with option rights of Euro 115,009,511.53, approved by the Shareholders' Meeting on 8 May 2013, the exact amount of the compulsory convertible debentures to be converted into ordinary shares and/or class B shares ("Convertible Debentures"), excluding the option right, with consequent increase of the share capital serving exclusively the conversion of the same debentures, has been determined.

Therefore – on today's date – for the purposes of implementing the resolution adopted by the Board of Directors' Meeting of 10 June 2013, n. 233,534 Convertible Debentures have been issued, excluding the option right pursuant to art. 2441, par. 5, of the Italian Civil Code, for a total amount of a nominal value of Euro 233,534,000.00 (the "Convertible Loan"), with consequent divisible capital increase serving exclusively the conversion for maximum Euro 258,401,789.44 to be implemented through the issue, within the latest term of 31 March 2023, of max. n. 434,069,863 ordinary shares and maximum n. 125,446,190 class B shares, shares without face value, accruing regular dividend, with the same characteristics as those outstanding at issue date.

Implementing the agreements relating to Prelios total debt rescheduling and to the complex transaction of the Company capitalization and financial rebalancing – successfully closed as already disclosed on 23 August 2013 – the Convertible Debentures, with a unit face value of Euro 1,000.00, have been subscribed by the Lenders ⁽¹⁾, for *Tranche A* (equal to n. 166,042 debentures in total), and by Pirelli & C. S.p.A., for *Tranche B* (equal to n. 67,492 debentures in total).

It should be noted that – unless otherwise provided for in the Regulation of convertible debentures (the "Convertible Debenture Regulation") – the Convertible Debentures will automatically be converted at maturity date (or earlier in the cases envisaged under the Convertible Loan Regulation). In particular, *Tranche A* debentures will be converted into Prelios newly issued ordinary shares while *Tranche B* debentures will be converted into Prelios newly issued class B shares or into ordinary shares in the event that the class B shares already issued in the framework of the overall transaction are converted into ordinary shares in the meantime.

The Convertible Debentures which are not envisaged for listing are issued as dematerialized securities and shall accrue dividend from today's date, according to the terms and conditions envisaged in the Convertible Loan Regulation.

The term of the Convertible Loan shall be until 31 December 2019; however, the Convertible Debenture holders (unanimously) and Prelios may agree to extend the maturity date to 31

⁽¹⁾ *Intesa Sanpaolo S.p.A., UniCredit S.p.A., Banca Monte dei Paschi di Siena S.p.A., Banca Popolare di Milano Soc. Coop. a r.l., Banca Popolare di Sondrio Soc. Coop. p.a., Banca popolare dell'Emilia Romagna Soc. Coop., Banca Carige S.p.A. - Cassa di Risparmio di Genova e Imperia, UBI Banca Soc. Coop.p.A. (già Centrobanca - Banca di Credito Finanziario e Mobiliare S.p.A.), (all acting as "Lending Banks" of the so-called "Club Deal"), with Banca IMI S.p.A. acting as "Agent" as well as Pirelli & C. S.p.A.*

December 2002 upon occurrence of given presuppositions that are accurately defined in the Convertible Loan Regulation.

For the purposes of a more exhaustive and accurate review of the characteristics of the Convertible Loan and of the capital increase serving the conversion, reference should be made to the press release of 10 June 2013 and to the Convertible Loan Regulation that will be made available on the Company's website at www.prelios.com.

Through the issue of the Convertible Debentures, concurrently with the implementation of the capital increase with option rights for about 115 million Euro (already referred to above) and of the reserved capital increase for about 70 million Euro (as reported in the press release of 31 July 2013), the measures identified in order to pursue the equity strengthening and industrial re-launch of Prelios Group have been therefore implemented. It should also be noted that the rules for the conversion of Convertible Loan into share capital, based on assumptions anticipated with respect to the envisaged deadline, are aimed at maintaining Prelios equity in order to contribute to ensure business continuity and stability as well as the conditions aimed at the re-launch and business development of Prelios Group.

The issue and subscription of the Convertible Debentures – upon completion of the broader process of Prelios total debt rescheduling – is made in the context and for the purposes of the completion of the overall transaction, aimed, as already recalled, at supporting the actions envisaged by the recovery plan of which both the Convertible Loan and the capital increases implemented are an essential part.

For further information:

Prelios Press Office Tel. +39/02/6281.33549
Prelios Investor Relations Tel. +39/02/6281.4057
www.prelios.com