

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

Milan, 31 January 2014 – 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 2013.

The data reported in this press release - issued in compliance with the law as mentioned above - are preliminary data, not yet approved and subject to changes, even significant, in relation to the definition of annual report items and activities still underway.

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

Prelios Group Net Financial Position at 31 December 2013 was negative for 382.8 million euro, compared to -370.3 million euro at November 2013.

Prelios S.p.A. Net Financial Position at 31 December 2013 is negative for 396.2 million euro, compared to -380 million euro at November 2013.

Details are provided in the table below.

Prelios Group Net Financial Position

(thousands euro)

	12.31.2013 (***)	11.30.2013	10.31.2013
CURRENT ASSETS			
Other receivables	114	176	176
- of which receivable from related parties	114	176	176
Financial receivables	114	176	176
- joint ventures and other Prelios Group companies	114	176	176
Cash and cash equivalents	86,179	100,556	111,898
TOTAL CURRENT ASSETS - A	86,293	100,732	112,074
CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(3,452)	(7,094)	(6,605)
- of which payable to related parties	(1,050)	(2,650)	(2,650)
- joint ventures and other Prelios Group companies	(1,050)	(2,650)	(2,650)
- Other financial payables	(1,466)	(1,665)	(1,349)
- Bank borrowings	(838)	(2,681)	(2,508)
- Payables to other financial institutions	(98)	(98)	(98)
TOTAL CURRENT LIABILITIES - B	(3,452)	(7,094)	(6,605)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(465,671)	(463,970)	(464,597)
- of which payable to related parties	(149,876)	(149,749)	(149,625)
- convertible loan (*)	(235,902)	(235,701)	(235,506)
- other financial debts	(628)	(623)	(622)
- Payables to other financial institutions	(229,141)	(227,646)	(228,469)
TOTAL NON-CURRENT LIABILITIES - C	(465,671)	(463,970)	(464,597)
NET DEBT EXCL. SHAREHOLDER LOANS GRANTED (**)= D	(382,830)	(370,332)	(359,128)

(*) The convertible loan (235,902 thousands euro included interests accrued in 2013 year) is referred for 149,876 thousands euro to Pirelli & C. S.p.A..

(**) Pursuant to the 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)

	12.31.2013 (***)	11.30.2013	10.31.2013
CURRENT ASSETS			
Other receivables	52,781	52,328	51,461
- of which receivable from related parties	52,781	52,328	51,461
Financial receivables	52,781	52,328	51,461
- subsidiaries	52,781	52,328	51,461
Cash and cash equivalents	69,008	88,104	98,706
TOTAL CURRENT ASSETS - A	121,789	140,432	150,167
CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(57,410)	(61,491)	(67,816)
- of which payable to related parties	(57,310)	(59,535)	(66,027)
- subsidiaries	(56,509)	(58,734)	(65,226)
- joint ventures	(801)	(801)	(801)
- Bank borrowings	(100)	(1,956)	(1,789)
TOTAL CURRENT LIABILITIES - B	(57,410)	(61,491)	(67,816)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(460,603)	(458,901)	(459,530)
- of which payable to related parties	(149,876)	(149,749)	(149,625)
- convertible loan (*)	(235,902)	(235,701)	(235,506)
- Bank borrowings	(224,701)	(223,200)	(224,024)
TOTAL NON-CURRENT LIABILITIES - C	(460,603)	(458,901)	(459,530)
NET FINANCIAL POSITION (**) D = (A+B+C)	(396,224)	(379,960)	(377,179)

(*) The convertible loan (235,902 thousands euro included interests accrued in 2013 year) is referred for 149,876 thousands euro to Pirelli & C. S.p.A..

(**) Pursuant to the 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 10.7 million euro (11.1 million euro at November 2013), today reduced to 7.9 million euro following to payment of 2.8 million euro in January.

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

Prelios S.p.A. past due **trade payables** total 7 million euro (6.6 million euro at November 2013), today reduced to 5.8 million euro following the payment of 1.2 million euro in January.

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 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 2013, reported below, is compared with the data that refer to last 30 September 2013. 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 2013 (preliminary data not yet approved), compared with data at 30 November 2013**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	As from 01.01.2013 to 12.31.2013 (*)		As from 01.01.2013 to 11.30.2013
Operating revenues	194	They mainly include the recovery of costs related to some spaces in the Milan - HQ2 office.	153
Operating costs	(2,421)	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..	(2,229)
Financial expenses	(4,161)	These relate to the reversal of up-front commissions paid on the credit facility granted by Pirelli & C. S.p.A. and the interests accrued from 1st January 2013 to 31st December 2013 on the convertible loan granted by Pirelli & C. S.p.A.. The item also includes interests accrued on bridge loan granted by Fenice S.r.l. (indirectly related to the Group through the directors) successively converted in equity at 31st July 2013.	(4,034)
Tax	600	They refer to the revenues due to the restatement of the previous years Prelios Group taxable income, in compliance with a recent tax benefit, for the years 2007, 2008 and 2009 (adjusted accordingly with respect to Pirelli & C. S.p.A. consolidation figures).	-

	As at 12.31.2013 (*)		As at 11.30.2013
Current trade receivables	176	These mainly include receivable from Pirelli & C. S.p.A. relating to costs paid for the improvement of the R&D building.	44
Other current receivables	2,319	The item mainly includes a caution money paid to Pirelli & C. S.p.A. for the rent of the R&D building and prepaid expenses related to the rental of the said building.	1,856
Current trade payables	(547)	These mainly refer to the payable to Pirelli Tyre S.p.A. for the recharge of expenses related to R&D building and for the purchase of furnitures related to the same building. They include also the payables for health services provided by the company Poliambulatorio Bicocca S.r.l..	(347)
Non-current financial payables to other lenders	(149,876)	These refer to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from 1st January 2013 to 31st December 2013.	(149,749)

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 2013 (preliminary data not yet approved), compared with data at 30 November 2013**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	As from 01.01.2013 to 12.31.2013 (*)		As from 01.01.2013 to 11.30.2013
Operating revenues	114	They include the recovery of costs related to some spaces in the Milan - HQ2 office.	102
Operating costs	(2,427)	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..	(2,224)
Financial expenses	(4,161)	These relate to the reversal of up-front commissions paid on the credit facility granted by Pirelli & C. S.p.A. and the interests accrued from 1st January 2013 to 31st December 2013 on the convertible loan granted by Pirelli & C. S.p.A.. The item also includes interests accrued on bridge loan granted by Fenice S.r.l. (indirectly related to the Group through the directors) successively converted in equity at 31st July 2013.	(4,034)

	As at 12.31.2013 (*)		As at 11.30.2013
Current trade receivables	115	These mainly include receivable from Pirelli & C. S.p.A. relating to costs paid for the improvement of the R&D building.	14
Other current receivables	1,719	The item mainly includes a caution money paid to Pirelli & C. S.p.A. for the rent of the R&D building and prepaid expenses related to the quarter rental of the said building.	1,856
Current trade payables	(547)	These mainly refer to the payable to Pirelli Tyre S.p.A. for the recharge of expenses related to R&D building and for the purchase of furnitures related to the same building. They include also payables for health services provided by the company Poliambulatorio Bicocca S.r.l..	(347)
Non-current financial payables to other lenders	(149,876)	These refer to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from 1st January 2013 to 31st December 2013.	(149,749)

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 2013 (preliminary data not yet approved). The income statement data are compared with the same period of 2012, while balance sheet data are compared with data at 30 September 2013**, for which – as above indicated – only a quarterly update is provided:

	As from 01.01.2013 to 12.31.2013 (*)		As from 01.01.2012 to 12.31.2012
Operating revenues	52,280	These refer to contracts with Group companies for fund and asset management services (real estate and non performing loans) and technical and commercial services.	70,170
Operating costs	(536)	These refer to recharges of various kinds.	(4,856)
Net income from investments	(101,979)	This item mainly consists of the results of these investments valued using the equity method, as well as value adjustments made to some investments held by the Group.	(149,922)
Financial income	14,002	This mostly refers to interest earned on financial receivables held by Group companies.	13,332
Financial expenses	(228)	This item is in large part attributable to the effects of "discounting" of receivables from Group companies not fully consolidated.	(5,987)

	As at 12.31.2013 (*)		As at 09.30.2013
Current trade receivables	22,859	This balance includes the receivables relating to "operating revenues".	37,949
Other non-current receivables	155,920		203,641
- of which financial receivables	155,910	This reflects the loans given to finance real estate projects being managed by individual Group companies. These loans are classified as non-current assets by virtue of their terms of repayment, which match the medium-term disposal programmes of the real estate portfolios owned directly or indirectly by these companies. These loans carry interest rates that are in line with those applied by the principal market participants except for some companies which have been given non-interest bearing loans.	203,631
Other current receivables	5,197	This includes dividends that have been declared but not yet paid and other receivables	6,889
- of which financial receivables	114		176
Current trade payables	(3,173)	They refer to recharges of various types, mainly traceable to rent and urbanization charges and accessory costs.	(3,384)
Other current payables	(18,746)	These refer to different kinds of recharge.	(20,727)
Current tax payables	(1,080)	This amount mainly relates to amounts owing to Trixia S.r.l. under 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 financial institutions	(1,050)	These include negative balances on intercompany current accounts and other financial payables of the subsidiary Prelios Netherlands B.V. to subscribe units in the Fondo Vivaldi. As at 30th June these included also other financial payables of the parent company related to an obligation to subscribe, through the companies Afrodite S.à.r.l. and Artemide S.à.r.l., units in the Fondo Residenziale Diomira.	(2,650)
Provisions for future risks and expenses	(12,631)	This refers to the provision for making good the losses of associates and joint ventures in excess of their carrying amounts.	(2,102)

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 2013** (preliminary data not yet approved). **The income statement data are compared with the same period of 2012, while balance sheet data are compared with data at 30 September 2013**, for which – as above indicated – only a quarterly update is provided:

	As from 01.01.2013 to 12.31.2013 (*)		As from 01.01.2012 to 12.31.2012
Operating revenues	10,055	These include mainly fees for general services, and the recovery of costs for office rental, trade mark and other costs.	14,128
Operating costs	(2,401)	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 Integra S.p.A.; they also include costs for the re-charge of the asset management fees to Prelios Agency S.p.A., Prelios Credit Servicing S.p.A. e Prelios Integra S.p.A..	(2,320)
Net income from investments	-	As at December 31st, 2012, these referred to dividends approved in favour of Prelios S.p.A. by subsidiaries and associates.	34,233
Financial income	10,168	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.	11,881
Financial expenses	(834)	These include interest expenses accrued on intra-group current accounts, and on the loan in Polish currency from the subsidiary Prelios Polska Sp.z.o.o..	(1,902)
Income taxes	373	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	4,592

	As at 12.31.2013 (*)		As at 09.30.2013
Current trade receivables	12,919	These include mainly fees for services provided to the subsidiaries by the Prelios S.p.A. central structures, and the recharging of costs for Milan and Rome offices, for the trade mark and other costs.	10,659
Other non-current receivables	161,286	The item refers to the balances at December 31st, 2013 of loans granted to investee companies.	169,115
- of which financial receivables	161,286		169,115
Other current receivables	52,843	These include mainly the positive balances of intra-group current accounts in being between Prelios S.p.A. and its investee companies (financial receivables), and the receivables for VAT from subsidiaries that have elected to be consolidated for VAT purposes.	52,205
- of which financial receivables	52,781		51,733
Current tax receivables	514	These refer mainly to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	5,986
Current trade payables	(3,374)	These refer mainly to payables for services rendered, and to the recharging of costs by subsidiaries; they also include, for about 1.1 million euro, the payable to the associate Progetto Corsico S.r.l. for urbanisation expenses.	(2,823)
Other current payables	(8,330)	They include 7,254 thousand euro of payables to the subsidiary Edilnord Gestioni S.r.l. (in liquidation), and the payable for VAT to subsidiaries that have elected to be consolidated for VAT purposes.	(8,044)
Current tax payables	(1,047)	These refer to payables to subsidiaries that have elected to be consolidated for a group taxation.	(1,737)
Current payables to other lenders	(56,509)	These refer to negative balances on inter-company current accounts between Prelios S.p.A. and its investee companies (of 53,469 thousand euro), and, for 3,040 thousand euro, to the balance at December 31st, 2013 of the foreign currency loan obtained from the subsidiary Prelios Polska Sp.z.o.o..	(65,086)

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 2013 (preliminary data not yet approved). The income statement data are compared with the same period of 2012, while balance sheet data are compared with data at 30 September 2013**, for which – as above indicated – only a quarterly update is provided:

	As from 01.01.2013 to 12.31.2013 (*)		As from 01.01.2012 to 12.31.2012
Operating revenues	1,512	These refer mainly to revenues for asset management fees, including fees re-charged to the subsidiaries Prelios Agency S.p.A., Prelios Credit Servicing S.p.A. e Prelios Integra S.p.A..	1,290
Operating costs	(69)	These mainly relate to rental fee and expenses for the offices in Rome, charged by Fondo Cloe, owner of the building. They include also the amount paid to Cloe Fund regarding the photovoltaic system incentives of the HQ2 office, collected by Prelios S.p.A.. As at December 31st, 2012 these mainly referred to rental fees for head quarter in Milan, held by Fondo Cloe, mostly re-charged to subsidiaries with sublease contracts.	(3,691)
Net income from investments	53	These include the dividends distributed in favour of Prelios S.p.A. by the participated companies.	5,921
Financial income	7,720	These refer essentially to interest income accrued on loans granted to investee companies.	8,640
Financial expenses	(117)	These refer mostly to the interests accrued towards on the payable to Espelha - Serviços de Consultadoria LdA for the deferred payment for the purchase of Class C junior notes; as at 31st December 2012 they included also the financial expenses for the net present value effect of some trade receivables from joint ventures.	(624)

	As at 12.31.2013 (*)		As at 09.30.2013
Current trade receivables	3,815	These relate mainly to receivables for asset management fees.	5,110
Other non-current receivables	52,855	These refer to balances at December 31st, 2013 of loans granted to investee companies.	97,858
- of which financial receivables	52,855		97,858
Other current receivables	927	These include receivables for dividends approved, but not yet collected and other receivables.	3,302
Current trade payables	(281)	These refer the payables to Fondo Cloe for renting the HQ2 building and the offices in Rome.	(216)
Other current payables	(5,022)	These include mainly payables to joint ventures of the DGAG group for costs recharged to Prelios S.p.A.; as at 31st December 2012 they also included the payable to Espelha - Serviços de Consultadoria L.d.A. related to the purchase of Class C junior notes.	(7,098)
Current tax payables	(1,080)	These refer to payables for tax transparency to the joint venture Trixia S.r.l..	(1,080)
Current payables to other lenders	(801)	These refer to the balance at December 31st, 2013 of the inter-company current account with Jamesmail B.V..	(801)

Thousands euro.

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The Financial Reporting Officer of Prelios S.p.A., Dott.ssa Elena Capra, 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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