



**PRESS RELEASE**

**PRELIOS: BOARD OF DIRECTORS APPROVES PROPOSED 2011 ANNUAL FINANCIAL STATEMENTS**

**FINANCIAL RESULTS IN LINE WITH NOVEMBER REVISED TARGETS**

- MANAGEMENT PLATFORM REVENUES AT €149 MILLION (€162.3 MILLION IN 2010)
  - OPERATING RESULT<sup>1</sup> AT €5.7 MILLION (€41.1 MILLION IN 2010)
- MANAGEMENT PLATFORM EBIT<sup>2</sup> AT €20.3 MILLION (€24.1 MILLION IN 2010), WITHIN ESTIMATED RANGE OF €20-24 MILLION
  - NEGATIVE CONSOLIDATED NET RESULT OF €289.6 MILLION (-€95.3 MILLION IN 2010), WITHIN THE TARGET RANGE OF BETWEEN -€270 AND -290 MILLION, CAUSED BY €194.6 MILLION IN PROPERTY WRITEDOWNS AND €48.7 MILLION IN RESTRUCTURING COSTS
- NET FINANCIAL POSITION NEGATIVE €488 MILLION, IN LINE WITH FORECAST "BELOW €500 MILLION) (-€424 MILLION IN 2010)
- REAL ESTATE SALES AT €1.8 BILLION (€1.6 BILLION IN 2010), BEATING €1.5 BILLION TARGET. AVERAGE SALES MARGIN APPROX. 5% ON BOOK VALUE
- ASSETS UNDER MANAGEMENT AT €12.4 BILLION, DOWN FROM €14.6 BILLION IN 2010, MAINLY DUE TO SALES

**2012 TARGETS CONFIRMED:**

- SIGNIFICANT REDUCTION IN NET FINANCIAL POSITION TO €390 MILLION
  - DOMESTIC MANAGEMENT PLATFORM EBIT<sup>3</sup> €14-18 MILLION (€12.6 MILLION IN 2011)

*Milan, March 2nd, 2012* – At today's meeting, the Board of Directors of Prelios S.p.A. examined and approved the Company's proposed annual financial statements for 2011, which will be presented to the forthcoming ordinary shareholders' meeting.

During the year just ended the Company obtained refinancing for a total of €539 million in fully committed lines. Having obtained this refinancing, in advance of the July 2012 deadline, Prelios can now focus on developing its business along the lines set out in its 2012-2014 guidance, specifically by exploiting its investment portfolio to reduce debt and by increasing the volume of business with third parties.

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<sup>1</sup> Comprises EBIT from the core business and net income from investments, both before the one-off property tax, restructuring costs and property writedowns/revaluations, plus income from shareholder loans, and the gain of €31.8 million on disposal of the equity interests in Rinascente and Coin.

<sup>2</sup> Management platform EBIT means the net income generated by the Company from its fund and asset management activities and specialized real estate services (property & project management and agency) and from services associated with NPL management (credit servicing), as well as general and administrative expenses, before the one-off property tax, restructuring costs and property writedowns/revaluations.

<sup>3</sup> Includes management platform services relating to Italy Real Estate and NPL, as well as G&A costs.

## **Group performance in 2011**

The results for 2011 have been heavily influenced by market conditions brought about by the deepening of the financial crisis in August. In the second half of the year, sovereign debt tensions resulted in marked difficulty in accessing credit, which, together with the downgrading of the overall macroeconomic outlook, caused a slowdown in real estate transactions with an inevitable impact on asset values. In this scenario, the Company has confirmed, for a second consecutive year, its performance in its core management business, achieving EBIT of €20.3 million, while its net result has been affected by €194.6 million in writedowns against equity interests and investment property.

**Consolidated revenues** amount to €177.8 million compared with €254 million in the previous year, which had benefited from the disposal of two important assets for commercial use: the "Osnabruck" complex in Germany and a multi-purpose centre in Perugia, Italy. In particular, **revenues from the management platform** - the Prelios core business - are €149 million, compared with €162.3 million at December 31st, 2010, with some €9.6 million of the decrease attributable to Fund Management.

**The operating result** inclusive of the €31.8 million net gain on the sale of the La Rinascente and Coin equity interests, is a profit of €5.7 million, compared with €41.1 million in 2010. In detail:

- **Management platform activities** report a positive result of €20.3 million, compared with €24.1 million in 2010, staying within the range announced in November (between €20 and 24 million).
- **Investment activities**<sup>4</sup> report a negative result of €46.4 million (positive €17 million at December 31<sup>st</sup>, 2010). The decrease is mainly due to Non Performing Loan writedowns (€60.9 million) after revising almost all the related business plans following the sudden, major deterioration in the specific financial environment.

The **consolidated net result** is a negative €289.6 million, compared with a loss of €95.3 million in 2010, positioned within the target range announced to the market (between -€270 and -290 million). This figure reflects €194.6 million in writedowns, inclusive of the complete write-off of the residual net invested capital in the German BauBeCon portfolio after Barclays Bank exercised a call option over the shares at a nominal price: an event triggered by the fact that the venture's partners have ruled out equity injections – needed to support the investment and avoid default on the related loan agreement – because not thought to be recoverable. The net result has also been affected by €48.7 million in restructuring costs - of which €13.6 million relate to the vesting of deferred contract costs and €25.7 million to losses on receivables following the reorganization of certain investee companies - as well as by €8.9 million for the Prelios share of the property tax on investors in real estate funds.

In particular, in **Italy**, sales of €841.5 million were realized (€1,391.3 million in 2010), and in **Germany** of €905.6 million (€201.6 million in 2010); in **Poland**, sales amounted to €43.2 million, up from €31.7 million in 2010, partly thanks to sale of the Ostrobramska site in Warsaw, while development is being completed of certain sites still in the portfolio.

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<sup>4</sup> Results from investment activities mean the net income generated by Prelios from its investments in real estate funds and companies and from Non Performing Loans. This includes €9.9 million in income from Highstreet compared with €14.5 million in December 2010, recognized under the same principle as in the 2010 year-end financial statements.

**Total equity** amounts to €326.2 million at December 31st, 2011 (€589.6 million at the end of 2010), while **group equity** is €318.8 million (€579.8 million in 2010). The change reflects the consolidated net loss for the year (-€289.6 million) and other variations (+€28.6 million) mostly in connection with the reserve for interest rate hedges.

The **net financial position**<sup>5</sup> reports net debt of €488 million, compared with €424 million at December 31st, 2010 and €474.2 million at September 30th, 2011. Even in this case, the November revised target of "below €500 million" has been achieved.

**Gearing**<sup>6</sup> is 1.50 (1.02 at the end of September 2011 and 0.72 at the end of December 2010).

**Real estate sales** amounted to some €1.8 billion (approximately €1.6 billion in 2010), thus beating the target of €1.5 billion planned for the year. The Group realized an average sales margin of around 5% on book value for real estate transactions completed in 2011.

**Assets Under Management** amount to approximately €12.4 billion (of which €11.2 billion<sup>7</sup> in Real Estate and €1.2 billion<sup>8</sup> in NPLs), confirming the November estimates and down from last year's figure of €14.6 billion, mainly as a result of sales activities; the percentage of the real estate portfolio managed for third parties has grown to around 30% (from 10% in 2010), also thanks to the BauBeCon portfolio in which Prelios now no longer holds an interest.

## ***Divisional performance in 2011***<sup>9</sup>

### **ITALY REAL ESTATE**

**EBIT** is a profit of €56.8 million, up from €45.6 million at December 31st, 2010. EBIT comprises €24.4 million in net income from the management platform (€33 million in the prior year) and €32.4 million in net income from investment activities (€12.6 million at December 31st, 2010), primarily thanks to disposal of the shares in the "La Rinascente" operating company and the interest in Coin.

As regards performance by individual services within the domestic management platform, **Fund & Asset Management** has reported €29.1 million in revenues (€38.7 million in 2010), and EBIT of €16.1 million (€22.8 million in 2010), **Property & Project** has reported €20.1 million in revenues in 2011 (€20.7 million in 2010), and EBIT of €5.6 million (€6.7 million in 2010); lastly, **Agency services** has reported €23.4 million in revenues (€25.2 million in 2010) and EBIT of €2.6 million (€3.5 million in 2010).

### **GERMANY REAL ESTATE**

**EBIT** is a profit of €13.1 million (€14.6 million in 2010). EBIT comprises €9.2 million in net income from the management platform (almost double the €5 million reported in 2010) and €3.9 million in net income from investment activities (€9.6 million in 2010).

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<sup>5</sup> Excluding shareholder loans granted,

<sup>6</sup> Reports the ratio between net financial position, excluding shareholder loans granted, and equity.

<sup>7</sup> Market value as determined in appraisals by independent experts. In the case of the BauBeCon portfolio, reference has been made to an appraisal conducted by Jones Lang La Salle at June 30th, 2011.

<sup>8</sup> Stated at book value.

<sup>9</sup> Please note that the results reported in this paragraph refer not only to the results of management platform activities and investment activities but also include income from shareholder loans, while excluding general and administrative costs (G&A/holding).

## **POLAND REAL ESTATE**

**EBIT** is a loss of -€6.2 million, compared with a loss of -€0.4 million in 2010. EBIT comprises -€1.5 million in net losses from the management platform (-€1.3 million at December 31st, 2010) and -€4.7 million in net losses from investment activities (+€0.9 million at December 31st, 2010).

## **NON PERFORMING LOANS**

**Collections** of non performing loans amount to €200 million compared with €305 million in 2010. The reduction in collections is mainly due to the contraction in the number of out-of-court settlements resulting from the lack of liquidity in the market and difficulties encountered with in-court settlements.

This situation is also reflected in **EBIT**, which reports a loss of -€48.6 million compared with -€6.4 million at December 31st, 2010, and comprises -€2.4 million in net losses from the management platform (-€0.3 million at December 31st, 2010) and -€46.2 million in net losses from investment activities<sup>10</sup> (-€6.1 million in the prior year). The deterioration in the results from investment activities is mostly due to writedowns against loan portfolios after revising nearly all the business plans for the degeneration in the macroeconomic situation.

## ***Results of the parent company Prelios S.p.A. in 2011***

**Operating revenues** amounted to €27.4 million (€52 million in 2010), while **EBIT** was a negative €22.9 million (-€18.3 million in 2010). The **net result** was a loss of €311.5 million (compared with a loss of €133.5 million in 2010), largely due to €342.4 million in net losses on investments (-€144.1 million in 2010) that were only partially offset by €58.5 million in dividends (€32.1 million in 2010).

**Equity** amounts to €218.7 million at the end of 2011, compared with €531.8 million at December 31st, 2010. This change is mainly attributable to the net loss for the year.

Since the loss for the year exceeds one-third of share capital, the shareholders' meeting called to approve the financial statements will also be required to take the actions falling under its responsibility according to art. 2446 of the Italian Civil Code. The report by the directors and related proposals will be published in the manner and terms of the law.

## ***Business outlook***

The Company confirms the targets for 2012, and the strategy and general targets contained in the 2012-2014 guidance communicated to the market last November, namely:

- repositioning as a "pure management company" focused on the domestic market;
- centrality of cash generation by exploiting investments and reducing costs

In particular, in 2012 management platform EBIT in Italy is estimated in a range of between €14 and €18 million, while net financial position is expected to come down to €390 million by December

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<sup>10</sup> This figure includes €60.9 million in writedowns resulting from impairment tests (€23.1 million in 2010).

31st, 2012. The recent financial turmoil affecting the euro-zone, the terms of access to credit and real estate market trends will also influence the Company's future performance.

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### **Shareholders' Meeting**

The Board of Directors has charged the Chairman with responsibility for calling the shareholders' meeting due to approve the financial statements for 2011.

The shareholders' meeting will also be required to vote in **ordinary session** on:

1. approval of the financial statements at December 31st, 2011;
2. appointment of a director and/or reduction in the number of members of the Board of Directors;
3. Remuneration Report, addressing remuneration policy, referred to consultation of the shareholders' meeting in accordance with art. 123-ter of the Financial Markets Consolidation Act.

The shareholders' meeting will also be called to vote in **extraordinary session** on:

1. measures to be taken under art. 2446 of the Italian Civil Code, involving a proposed reduction in share capital after cancelling the nominal value of the ordinary shares;
2. a number of amendments to the articles of association to incorporate new statutory and regulatory requirements relating to gender balance in the composition of boards of management and control.

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The results for the year ended December 31st, 2011 will be presented today, March 2nd, 2012 in a conference call with the Prelios top management at 18:30 CET. Journalists may follow the presentation telephonically by dialling the number +39.02.805.88.27 but will not be allowed to ask questions. It will be possible to view the presentation slides in the Investor Relations section of the company website at [www.prelios.com](http://www.prelios.com).

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The annual financial report at December 31st, 2011 will be available to the public by March 26th, 2012 at the Company's registered office in Viale Piero e Alberto Pirelli 25, Milan and at Borsa Italiana S.p.A.. The same documentation will also be published on the company website at [www.prelios.com](http://www.prelios.com).

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*Riccardo Taranto, Financial Reporting Officer of Prelios S.p.A., attests - pursuant to art. 154-bis par. 2 of the Financial Markets Consolidation Act (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.*

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This press release contains references to the following principal alternative performance indicators for the purposes of better evaluating the Prelios Group's results: (i) EBIT, which is calculated as EBIT from the core business and net income from investments, both before the one-off property tax, restructuring costs and property writedowns/revaluations, plus income from shareholder loans; (ii) operating result, which is calculated as above but including the Rinascente/Coin gain net of related expenses, with this gain understood to mean the positive impact of selling the shares in the "Rinascente" operating company and the interest in Coin; (iii) Profit (loss) before property tax, restructuring costs, property writedowns/revaluations and income taxes is determined as above but after financial expenses; (iv) Net financial position is represented by gross financial debt less cash and other cash equivalents and other financial receivables. These alternative performance indicators have not been audited by the independent auditors.

In compliance with CONSOB Communication 6064291 of July 28th, 2006, the tables appended to this press release have not been audited by the independent auditors Ernst & Young S.p.A..

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**For additional information contact:**

Prelios Press Office Tel. +39/02/6281.33549

Prelios Investor Relations Tel. +39/02/6281.4057

[www.prelios.com](http://www.prelios.com)

## 1) PRELIOS - RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro/million)	DECEMBER 2011	DECEMBER 2010
Consolidated revenues:	177.8	254.0
<i>of which services</i>	149.0	162.3
<i>of which others</i>	28.8	91.7
<b>MANAGEMENT PLATFORM</b> : EBIT before restructuring costs and property writedowns/revaluations	19.2	23.5
<b>MANAGEMENT PLATFORM</b> : Net income from investments before restructuring costs and property writedowns/revaluations	1.1	0.6
<b>TOTAL MANAGEMENT PLATFORM : EBIT</b>	<b>20.3</b>	<b>24.1</b>
<b>INVESTMENT</b> : EBIT before restructuring costs and property writedowns/revaluations	(24.5)	(3.5)
<b>INVESTMENT</b> : Net income from investments before restructuring costs and property writedowns/revaluations	(45.7)	(3.9)
<b>INVESTMENT</b> : Income from shareholder loans	23.8	24.4
<b>TOTAL INVESTMENT ACTIVITIES: EBIT</b>	<b>(46.4)</b>	<b>17.0</b>
<b>EBIT</b>	<b>(26.1)</b>	<b>41.1</b>
Rinascente/Coin gain net of related expenses	31.8	
<b>Operating result</b>	<b>5.7</b>	<b>41.1</b>
Financial expenses	(29.8)	(23.7)
<b>Profit (loss) before property tax, restructuring costs, property writedowns/revaluations and income taxes</b>	<b>(24.1)</b>	<b>17.4</b>
One-off property tax	(8.9)	-
Restructuring costs	(48.7)	(21.2)
Property writedowns/revaluations	(194.6)	(77.3)
<b>Profit (loss) before taxes</b>	<b>(276.2)</b>	<b>(81.0)</b>
Income taxes	(15.3)	(13.4)
<b>Net income (loss) before minority interests</b>	<b>(291.5)</b>	<b>(94.4)</b>
Minority interests	1.9	(0.9)
<b>Consolidated net income (loss)</b>	<b>(289.6)</b>	<b>(95.3)</b>

## 2) PRELIOS - RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Euro/million)	<b>DECEMBER 2011</b>	<b>DECEMBER 2010</b>
<b>Fixed assets</b>	<b>820.4</b>	<b>969.1</b>
of which investments in real estate funds and investment companies (1)	651.6	423.6
of which goodwill	148.1	148.1
<b>Net working capital</b>	<b>70.4</b>	<b>106.0</b>
<b>Net invested capital</b>	<b>890.8</b>	<b>1,075.1</b>
<b>Equity</b>	<b>326.2</b>	<b>589.6</b>
of which group equity	318.8	579.8
<b>Provisions</b>	<b>76.6</b>	<b>61.6</b>
<b>Net financial position</b>	<b>488.0</b>	<b>424.0</b>
<b>Total covering net invested capital</b>	<b>890.8</b>	<b>1,075.1</b>
 <b>Gearing</b>	 <b>1.50</b>	 <b>0.72</b>

(1) The figure includes investments in associates, joint ventures and others (€329.7 million), investments in real estate funds (€15.2 million, reported in "Other financial assets" in the consolidated balance sheet) and junior notes (€0.2 million, reported in "Other financial assets" in the consolidated balance sheet). The balance at the end of December 2011 is stated after provisions for investment writedowns of €7.1 million (€8.8 million at December 31st, 2010).

### 3) PRELIOS - Consolidated Net Cash Flow

(€/mln)

	December 2011	December 2010
<b>PFN beginning of period (A)</b>	<b>424.0</b>	<b>445.8</b>
<b>Ebit before restructuring costs, reval./deval.</b>	<b>(5.3)</b>	<b>20.0</b>
Depreciation	3.2	6.4
Change in investments	(17.5)	18.5
Change in other fixed assets	0.8	7.6
Change in NWC, Funds and Other	(17.5)	(14.2)
<b>Free cash flow</b>	<b>(36.3)</b>	<b>38.2</b>
Other changes	0.0	(19.5)
Interest income/expenses and taxes	(26.4)	5.0
<b>Cash flow before dividends</b>	<b>(62.7)</b>	<b>23.7</b>
Capital Increase / (Dividends)	(1.3)	(1.9)
<b>Net cash flow (B)</b>	<b>(64.0)</b>	<b>21.8</b>
<b>PFN beginning of period (A-B)</b>	<b>488.0</b>	<b>424.0</b>

#### 4) PRELIOS - ASSETS UNDER MANAGEMENT BY COUNTRY AND SEGMENT

(Euro/billion)		Market Value DECEMBER 2011 (*)	Market Value DECEMBER 2010 (*)
<b>TOTAL ASSETS UNDER MANAGEMENT</b>		12.4	14.6
<b>NON PERFORMING LOANS</b>		1.2	1.4
<b>REAL ESTATE</b>		11.2	13.2
of which participated		7.8	11.9
of which ITALY	5.5	49%	50%
of which GERMANY	5.6	50%	48%
of which POLAND	0.1	1%	2%
<b>ITALY participated</b>			
	DEVELOPMENT & OTHER (**)	0.8	0.8
	RESIDENTIAL & TRADING	0.7	0.9
	COMMERCIAL	2.0	3.6
	<b>TOTAL ITALY</b>	<b>3.5</b>	<b>5.3</b>
<b>GERMANY participated</b>			
	DEVELOPMENT & OTHER		0.1
	RESIDENTIAL & TRADING	1.2	2.7
	COMMERCIAL	3.0	3.6
	<b>TOTAL GERMANY</b>	<b>4.2</b>	<b>6.4</b>
<b>POLAND participated</b>		<b>0.1</b>	<b>0.2</b>

(\*) Values determined through appraisal by independent experts as at the year-end date. In the case of the BauBeCon portfolio, the valuation at December 31st, 2011 has made reference to an appraisal by Jones Lang La Salle performed at June 30th, 2011.

(\*\*) Of which €0.6 billion in land at the end of 2011 (€0.5 billion in 2010).

**5) Prelios Group - Consolidated financial statements**  
**CONSOLIDATED INCOME STATEMENT**

(in thousands of euro)

	01.01.2011- 12.31.2011	01.01.2010- 12.31.2010
Revenues from sales and services	177,801	254,015
Changes in inventories of work in progress, semi-finished and finished products	(5,697)	(5,376)
Other income	14,049	35,602
<b>TOTAL OPERATING REVENUES</b>	<b>186,153</b>	<b>284,241</b>
<i>of which with related parties</i>	97,942	152,291
<i>of which non-recurring events</i>	(300)	-
Raw and consumable materials used (net of change in inventories)	(28,380)	(63,172)
Personnel costs	(74,551)	(74,175)
Depreciation, amortization and impairment	(5,242)	(6,360)
Other costs	(152,716)	(143,039)
<b>TOTAL OPERATING COSTS</b>	<b>(260,889)</b>	<b>(286,746)</b>
<i>of which with related parties</i>	(13,550)	(38,830)
<i>of which non-recurring events</i>	(35,233)	(12,823)
<b>Earnings before interest and tax (EBIT)</b>	<b>(74,736)</b>	<b>(2,505)</b>
Net income from investments of which:	(192,984)	(79,261)
<i>of which from related parties</i>	(190,174)	(77,568)
<i>of which non-recurring events</i>	12,373	(8,339)
- net profit share from investments in associates and joint ventures	(90,899)	(74,519)
- dividends	6,658	1,223
- gains on investments	1,098	2,420
- losses on investments	(109,841)	(8,385)
Financial income	29,797	32,391
<i>of which with related parties</i>	27,404	30,592
Financial expenses	(35,727)	(31,668)
<i>of which with related parties</i>	(9,161)	(5,248)
<b>RESULT BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	<b>(273,650)</b>	<b>(81,043)</b>
Income taxes	(17,882)	(13,430)
<i>of which with related parties</i>	-	52
<i>of which non-recurring events</i>	(2,566)	-
<b>NET (LOSS) FOR THE YEAR</b>	<b>(291,532)</b>	<b>(94,473)</b>
attributable to minority interests	(1,891)	839
<b>CONSOLIDATED NET (LOSS) FOR THE YEAR</b>	<b>(289,641)</b>	<b>(95,312)</b>

**6) Prelios Group - Consolidated financial statements**  
**CONSOLIDATED BALANCE SHEET**

(in thousands of euro)

<b>ASSETS</b>	<b>12.31.2011</b>	<b>12.31.2010</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	4,804	6,147
Intangible assets	157,411	160,158
Investments	327,036	409,274
<i>of which held for sale</i>	7,165	-
Other financial assets	24,706	23,061
Deferred tax assets	26,407	24,320
Other receivables	319,359	381,121
<i>of which with related parties</i>	313,491	378,003
<b>TOTAL NON-CURRENT ASSETS</b>	<b>859,723</b>	<b>1,004,081</b>
<b>CURRENT ASSETS</b>		
Inventories	55,301	70,921
Trade receivables	78,074	126,300
<i>of which with related parties</i>	45,520	82,846
Other receivables	45,988	75,964
<i>of which with related parties</i>	6,287	17,834
Cash and cash equivalents	37,684	17,013
Tax receivables	11,048	8,301
<i>of which with related parties</i>	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>228,095</b>	<b>298,499</b>
<b>TOTAL ASSETS</b>	<b>1,087,818</b>	<b>1,302,580</b>
<b>EQUITY</b>	<b>12.31.2011</b>	<b>12.31.2010</b>
<b>GROUP EQUITY</b>		
Share capital	419,991	419,991
Other reserves	94,223	138,595
Retained earnings	94,261	116,491
Net income (loss) for the year	(289,641)	(95,312)
<b>TOTAL GROUP EQUITY</b>	<b>318,834</b>	<b>579,765</b>
<b>MINORITY INTERESTS</b>	<b>7,348</b>	<b>9,828</b>
<b>TOTAL EQUITY</b>	<b>326,182</b>	<b>589,593</b>
<b>LIABILITIES</b>	<b>12.31.2011</b>	<b>12.31.2010</b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings and payables to other financial institutions	488,802	444,241
<i>of which with related parties</i>	160,038	140,419
Other payables	3,849	3,927
<i>of which with related parties</i>	2,608	2,608
Provisions for future risks and expenses	35,814	22,481
Deferred tax provision	2,243	2,545
Employee benefit obligations	11,125	12,326
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>541,833</b>	<b>485,520</b>
<b>CURRENT LIABILITIES</b>		
Bank borrowings and payables to other financial institutions	36,958	6,934
<i>of which with related parties</i>	1,102	2,669
Trade payables	74,852	82,420
<i>of which with related parties</i>	8,185	9,645
Other payables	62,144	95,505
<i>of which with related parties</i>	18,618	20,670
Provisions for future risks and expenses	34,569	32,921
<i>of which with related parties</i>	7,131	8,686
Tax payables	11,280	9,687
<i>of which with related parties</i>	1,080	1,080
<b>TOTAL CURRENT LIABILITIES</b>	<b>219,803</b>	<b>227,467</b>
<b>TOTAL LIABILITIES</b>	<b>761,636</b>	<b>712,987</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,087,818</b>	<b>1,302,580</b>

## 7) Prelios S.p.A. - Separate financial statements

### Income Statement 01.01.2011 - 12.31.2011

(in euro)

	01.01.2011	12.31.2011	01.01.2010	12.31.2010
Revenues from sales and services		16,976,609		19,401,221
Other income		10,449,756		32,605,437
<b>TOTAL OPERATING REVENUES</b>		<b>27,426,365</b>		<b>52,006,658</b>
- of which with related parties		23,371,009		36,503,817
- of which non-recurring events		(300,000)		
Raw and consumable materials used		(75,580)		(89,801)
Personnel costs		(13,070,757)		(13,096,873)
Depreciation, amortization and impairment		(1,008,100)		(1,207,240)
Other costs		(36,222,525)		(55,932,649)
<b>TOTAL OPERATING COSTS</b>		<b>(50,376,962)</b>		<b>(70,326,563)</b>
- of which with related parties		(13,751,553)		(33,021,596)
- of which non-recurring events		(7,974,594)		(5,585,189)
<b>Earnings before interest and tax (EBIT)</b>		<b>(22,950,597)</b>		<b>(18,319,905)</b>
Net income from investments of which:		(283,919,995)		(111,987,768)
- dividends		58,481,921		32,118,238
- gains on investments		8,241,778		2,897,208
- losses on investments		(350,643,694)		(147,003,214)
- of which with related parties		58,482,960		33,239,161
- of which non-recurring events		22,380,634		-
Financial income		23,976,572		24,208,866
- of which with related parties		22,217,225		23,099,262
Financial expenses		(33,411,214)		(28,256,378)
- of which with related parties		(8,774,239)		(3,338,019)
- of which non-recurring events		(89,236)		-
<b>RESULT BEFORE INCOME TAXES</b>		<b>(316,305,234)</b>		<b>(134,355,185)</b>
Income taxes		4,791,410		891,949
- of which with related parties		4,474,327		6,307,996
<b>NET (LOSS) FROM CONTINUING OPERATIONS</b>		<b>(311,513,824)</b>		<b>(133,463,236)</b>
<b>NET (LOSS) FOR THE YEAR</b>		<b>(311,513,824)</b>		<b>(133,463,236)</b>

## 8) Prelios S.p.A. - Separate financial statements

### Balance Sheet 12.31.2011

(in euro)

<b>ASSETS</b>	<b>12.31.2011</b>	<b>12.31.2010</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,604,248	3,975,346
Intangible assets	923,296	795,302
Investments in subsidiaries	322,478,070	459,263,992
Investments in associates and joint ventures	77,493,596	115,912,232
Other financial assets	6,541,948	7,386,884
Deferred tax assets	1,538,680	2,250,809
Other receivables	346,880,984	430,994,717
- of which with related parties	346,754,320	428,815,453
<b>TOTAL NON-CURRENT ASSETS</b>	<b>759,460,822</b>	<b>1,020,579,282</b>
<b>CURRENT ASSETS</b>		
Trade receivables	30,186,292	38,590,632
- of which with related parties	23,538,932	31,355,043
Other receivables	70,714,435	83,414,845
- of which with related parties	58,405,803	69,941,145
Cash and cash equivalents	26,225,543	4,354,539
Tax receivables	9,009,953	10,832,749
- of which with related parties	4,776,784	8,831,774
<b>TOTAL CURRENT ASSETS</b>	<b>136,136,223</b>	<b>137,192,765</b>
<b>TOTAL ASSETS</b>	<b>895,597,045</b>	<b>1,157,772,047</b>
<b>EQUITY</b>	<b>12.31.2011</b>	<b>12.31.2010</b>
<b>EQUITY</b>		
Share capital	419,991,058	419,991,058
Other reserves	110,188,814	184,525,764
Retained earnings	-	60,707,343
Net income (loss) for the year	(311,513,824)	(133,463,236)
<b>TOTAL EQUITY</b>	<b>218,666,048</b>	<b>531,760,929</b>
<b>LIABILITIES</b>	<b>12.31.2011</b>	<b>12.31.2010</b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings and payables to other financial institutions	482,270,848	444,389,138
- of which with related parties	160,038,400	147,739,949
Other payables	1,014,219	1,078,049
Provisions for future risks and expenses	10,557,168	7,602,033
Employee benefit obligations	1,315,580	1,409,044
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>495,157,815</b>	<b>454,478,264</b>
<b>CURRENT LIABILITIES</b>		
Bank borrowings and payables to other financial institutions	119,593,016	82,815,247
- of which with related parties	89,485,269	79,338,433
Trade payables	25,176,854	35,276,034
- of which with related parties	7,197,000	13,178,651
Other payables	30,871,791	44,258,359
- of which with related parties	14,945,159	14,476,738
Provisions for future risks and expenses	1,393,610	2,793,456
Tax payables	4,737,911	6,389,758
- of which with related parties	4,737,911	5,084,773
<b>TOTAL CURRENT LIABILITIES</b>	<b>181,773,182</b>	<b>171,532,854</b>
<b>TOTAL LIABILITIES</b>	<b>676,930,997</b>	<b>626,011,118</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>895,597,045</b>	<b>1,157,772,047</b>