

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

Milan, 30 May 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 30 April 2014.

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

It should be noted that the Net Financial Position at 30 April factors in the positive effects of 236.5 million euro, deriving from the occurred automatic conversion of the convertible bonds and the consequent implementation of capital increase exclusively serving the conversion.

Prelios Group Net Financial Position at 30 April 2014 is negative for 176.3 million euro, compared to -408.5 million euro at March 2014.

Prelios S.p.A. Net Financial Position at 30 April 2014 is negative for 220.3 million euro, compared to -437.9 million euro at March 2014.

Details are provided in the tables below.

Prelios Group Net Financial Position

(thousands euro)

	04.30.2014	03.31.2014	12.31.2013
CURRENT ASSETS			
Other receivables	114	114	114
- of which receivable from related parties	113	113	114
Financial receivables	114	114	114
- third parties	1	1	-
- joint ventures and other Prelios Group companies	113	113	114
Cash and cash equivalents	68,107	70,408	85,609
TOTAL CURRENT ASSETS - A	68,221	70,522	85,723
CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(9,819)	(9,393)	(8,988)
- 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	(1,746)	(1,487)	(1,466)
- Bank borrowings	(1,399)	(1,232)	(848)
- Payables to other financial institutions	(98)	(98)	(98)
TOTAL CURRENT LIABILITIES - B	(9,819)	(9,393)	(8,988)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(234,653)	(469,677)	(465,101)
- of which payable to related parties	-	(150,251)	(149,876)
- joint ventures and other Prelios Group companies	-	-	-
- other related parties	-	-	-
- convertible loan (*)	-	(236,492)	(235,902)
- other financial debts	(58)	(59)	(58)
- Payables to other financial institutions	(234,595)	(233,126)	(229,141)
TOTAL NON-CURRENT LIABILITIES - C	(234,653)	(469,677)	(465,101)
NET DEBT EXCL. SHAREHOLDER LOANS GRANTED (**)= D	(176,251)	(408,548)	(388,366)

(*) On April, 14th 2014 the execution of the compulsory early repayment of the Convertible Loan has been automatically and directly enforced through the full conversion of the Bonds and, therefore, also the capital increase for the exclusive service of the conversion has been automatically implemented through the issue of nr 229,757,292 ordinary shares and nr 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").

Prelios S.p.A. Net Financial Position

(thousands euro)

	04.30.2014	03.31.2014	12.31.2013
CURRENT ASSETS			
Other receivables	37,835	39,479	36,848
- of which receivable from related parties	37,835	39,479	36,848
Financial receivables	37,835	39,479	36,848
- subsidiaries	37,835	39,479	36,848
Cash and cash equivalents	46,397	48,632	69,008
TOTAL CURRENT ASSETS - A	84,232	88,111	105,856
CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(74,031)	(60,458)	(62,946)
- of which payable to related parties	(73,364)	(69,958)	(62,836)
- subsidiaries	(67,037)	(53,631)	(56,509)
- joint ventures	(6,327)	(6,327)	(6,327)
- Bank borrowings	(667)	(500)	(110)
TOTAL CURRENT LIABILITIES - B	(74,031)	(60,458)	(62,946)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(230,511)	(465,546)	(460,603)
- of which payable to related parties	-	(150,251)	(149,876)
- convertible loan (*)	-	(236,492)	(235,902)
- Bank borrowings	(230,511)	(229,054)	(224,701)
TOTAL NON-CURRENT LIABILITIES - C	(230,511)	(465,546)	(460,603)
NET FINANCIAL POSITION (**) D = (A+B+C)	(220,310)	(437,893)	(417,693)

(*) On April, 14th 2014 the execution of the compulsory early repayment of the Convertible Loan has been automatically and directly enforced through the full conversion of the Bonds and, therefore, also the capital increase for the exclusive service of the conversion has been automatically implemented through the issue of nr 229,757,292 ordinary shares and nr 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").

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 12.1 million euro (11.1 million euro at March 2014), today reduced to 9 million euro following to payment of 3.1 million euro in May.

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

Prelios S.p.A. past due trade payables total 6 million euro (7.2 million euro at March 2014), today reduced to 4 million euro following to payment of 2 million euro in May.

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 (on a line-by-line basis or with the equity method) about 200 companies (which will be reduced to about 120, following the completion of the sale of the DGAG portfolio), 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 March 2014, reported below, is compared with the data that refer to last 31 December 2013 with regard to balance sheet data and with the data at 31 March 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 30 April 2014, compared with data at 31 March 2014**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	from 01.01.2014 to 04.30.2014		from 01.01.2014 to 03.31.2014
Operating revenues	33	The item mainly refers to a new agreement with Pirelli Tyres S.p.A. relating to the Bicocca area parking.	28
Operating costs	(825)	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..	(619)
Financial expenses	(408)	These relate to the interests accrued on the convertible loan granted by Pirelli & C. S.p.A. from January, 1st to April, 8th 2014.	(375)

	As at 04.30.2014		As at 03.31.2014
Current trade receivables	173	These mainly include receivable from Pirelli & C. S.p.A. relating to costs paid for the improvement of the R&D building.	166
Other current receivables	2,020	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.	1,719
Current trade payables	(821)	These mainly refer to the payable to Pirelli & C. S.p.A. for the rent and to Pirelli Tyre S.p.A. for the recharge of expenses related to R&D building. They include also payables for health services provided by the company Poliambulatorio Bicocca S.r.l..	(245)
Non-current financial payables to other lenders	-	At March, 31st these referred to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from January 1, 2013; the convertible loan has been fully converted into share capital on April, 14th 2014.	(150,251)

Thousands euro.

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 30 April 2014, compared with data at 31 March 2014**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	from 01.01.2014 to 04.30.2014		from 01.01.2014 to 03.31.2014
Operating revenues	3	This refers to the recovery from Pirelli & C. S.p.A. related to HQ building.	3
Operating costs	(825)	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..	(619)
Financial expenses	(408)	These relate to the interests accrued on the convertible loan granted by Pirelli & C. S.p.A. from January, 1st to April, 8th 2014.	(375)

	As at 04.30.2014		As at 03.31.2014
Current trade receivables	125	These mainly include receivable from Pirelli & C. S.p.A. relating to costs paid for the improvement of the R&D building.	125
Other current receivables	1,994	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.	1,719
Current trade payables	(821)	These mainly refer to the payable to Pirelli & C. S.p.A. for the rent and to Pirelli Tyre S.p.A. for the recharge of expenses related to R&D building. They include also payables for health services provided by the company Poliambulatorio Bicocca S.r.l..	(245)
Non-current financial payables to other lenders	-	At March, 31st these referred to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from January 1, 2013; the convertible loan has been fully converted into share capital on April, 14th 2014.	(150,251)

Thousands euro.

Disclosed below are **Prelios Group dealings with associated companies, joint ventures and other companies at 31 March 2014. The income statement data are compared with the same period of 2013, while balance sheet data are compared with data at 31 December 2013**, for which – as above indicated – only a quarterly update is provided:

	from 01.01.2014 to 03.31.2014		from 01.01.2013 to 03.31.2013
Operating revenues	6,780	The item refers to Group companies agreements for fund and asset management services (real estate and non performing loans) and technical and commercial services.	11,068
Operating costs	(133)	These refer to recharges of various kinds.	(179)
Net income from investments	(2,844)	The item mainly refers to the equity method valuation of Group investments, as well as other investments adjustments.	(4,739)
Financial income	1,960	This mostly refers to interest earned on financial receivables held by Group companies.	2,389
Financial expenses	(23)	This item mainly refers to the "discounting" effects on Group receivables against not fully owned companies.	(149)
Net income (loss) from discontinued operations	4,019	The item refers to the transactions with joint ventures reclassified in compliance with International Financial Reporting Standards (IFRS 5).	3,279

	As at 03.31.2014		As at 12.31.2013
Current trade receivables	22,840	This balance includes receivables arising from "operating revenues".	22,054
Other non-current receivables	99,942		110,675
- of which financial receivables	99,942	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	110,665
Other current receivables	5,755	This includes, among other, dividends that have been declared but not yet paid and other receivables	5,197
- of which financial receivables	113		114
Discontinued operations/asset held for sale	18,800		18,800
- of which financial receivables	18,800	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).	18,800
Current trade payables	(3,106)	They refer to various recharges, mainly rent, urbanization charges and accessory costs.	(3,173)
Other current payables	(18,755)	These refer to various recharges.	(18,746)
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 financial institutions	(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 4,892 thousands of euro and Solaia RE S.à.r.l. for 634 thousands of euro.	(6,576)
Provisions for future risks and expenses	(12,952)	This refers to the provision accrued to coveri the losses of associates and joint ventures in excess of their carrying amounts.	(12,623)

Thousands euro.

Disclosed below are **Prelios S.p.A. dealings with subsidiaries and associated companies at 31 March 2014. The income statement data are compared with the same period of 2013, while balance sheet data are compared with data at 31 December 2013**, for which – as above indicated – only a quarterly update is provided:

	from 01.01.2014 to 03.31.2014		from 01.01.2013 to 03.31.2013
Operating revenues	1,665	These include mainly fees for general services, and the recovery of costs for office rental, trade mark and other costs.	3,054
Operating costs	(613)	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..	(701)
Financial income	2,079	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.	2,745
Financial expenses	(179)	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..	(294)
Income taxes	155	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	123
Net income (loss) from discontinued operations	242	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)..	239

	As at 03.31.2014		As at 12.31.2013
Current trade receivables	8,669	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.	12,919
Other non-current receivables	133,022	The item refers to the balances of loans granted to investee companies.	131,483
- of which financial receivables	133,022		131,483
Other current receivables	39,904	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.	36,910
- of which financial receivables	39,479		36,848
Current tax receivables	1,110	These refer mainly to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	489
Discontinued operations/asset held for sale	18,800	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).	18,800
Current trade payables	(3,704)	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.	(3,374)
Other current payables	(8,011)	They include 7,254 thousands of euro of payables to the subsidiary Edilnord Gestioni S.r.l. (in liquidation), and VAT payables to subsidiaries that have elected to be consolidated for VAT purposes.	(8,330)
Current tax payables	(1,523)	These refer to payables to subsidiaries that have elected to be consolidated for a group taxation.	(1,047)
Current payables to other lenders	(53,631)	These refer to negative balances on intercompany current accounts between Prelios S.p.A. and its investee companies (51,280 thousands of euro), and, for 2,351 thousands of euro, to the balance at March 31st, 2014 of the foreign currency loan obtained from the subsidiary Prelios Polska Sp.z.o.o..	(56,509)

Thousands euro.

Disclosed below are ***Prelios S.p.A. dealings with joint ventures and other associated companies at 31 March 2014. The income statement data are compared with the same period of 2013, while balance sheet data are compared with data at 31 December 2013***, for which – as above indicated – only a quarterly update is provided:

	from 01.01.2014 to 03.31.2014		from 01.01.2013 to 03.31.2013
Operating revenues	185	These refer mainly to revenues for asset management fees.	900
Operating costs	(75)	These relate to rental fee and expenses for the offices in Rome, charged by Fondo Cloe, owner of the building.	(9)
Financial income	1,636	These refer essentially to interest income accrued on loans granted to investee companies.	1,847
Financial expenses	-	At March 31, 2013 these referred to the interests accrued on the payable to Espelha - Serviços de Consultadoria Lda for the deferred payment for the purchase of Class C junior notes.	(61)

	As at 03.31.2014		As at 12.31.2013
Current trade receivables	3,384	These mainly relate to receivables for asset management fees.	3,217
Other non-current receivables	51,041	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.	52,186
- of which financial receivables	51,041		52,186
Other current receivables	903	This includes, among other, dividends that have been declared but not yet paid and other receivables	927
Current trade payables	(192)	These refer to the payables to Fondo Cloe for rent and expenses for the offices in Rome.	(281)
Other current payables	(5,023)	These mainly include payables to joint ventures of the DGAG group for costs recharged to Prelios S.p.A..	(5,022)
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 payables to other lenders	(6,327)	These refer to the balance of the intercompany current account with Jamesmail B.V. and to other financial payables arising from capital contributions to the companies Aree Urbane S.r.l. (in liquidation) for 4,892 thousands of euro and Solaia RE S.à.r.l. for 634 thousands of euro.	(6,327)

Thousands euro.

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