



PRESS RELEASE

PRELIOS: APPROVED NEW 2014 – 2016 BUSINESS PLAN

STRATEGIC OBJECTIVES:

- TO COMPLETE THE REPOSITIONING AS PURE MANAGEMENT COMPANY AND BECOME THE ASSET MANAGER OF REFERENCE FOR ITALIAN AND FOREIGN INSTITUTIONAL INVESTORS
- TO CONSOLIDATE THE MARKET LEADERSHIP OF THE SERVICE PLATFORM THROUGH PREMIUM SEGMENT DEVELOPMENT
- TO COMPLETE THE DISPOSITIONS OF EQUITY INTEREST IN CO-INVESTMENTS

ECONOMIC-FINANCIAL TARGETS:

- GROWING SERVICE PLATFORM EBIT WITH A CAGR¹ OF ABOUT 40% IN THE THREE-YEAR PERIOD
- 2016 PFN OBJECTIVE AT 200 €/MLN (388.4 €/MLN AT DECEMBER 2013)²

NEGOTIATIONS PROGRESS WITH FORTRESS GROUP

Milan, 12 June 2014 – The Board of Directors of Prelios S.p.A., that held its meeting on today's date, approved the new 2014-2016 business plan, and the group economic-financial projections relating to the strategy guidelines set on 9 April 2014.

“The Company, at operating level, is ready to reverse the trend, by improving margins and positioning itself on the market as aggregating leader in the real estate service sector” said Sergio Iasi, CEO of Prelios S.p.A., presenting the Plan main guidelines. “With a stand alone view, this is feasible on the basis of three key lines of action: acceleration of the transition to pure management company, that will be finally completed at the end of the three-year period as a consequence of the disposition plan and the relevant rationalization of the organization, further strengthening of the alliance with the banking system and transition from captive to non-captive market”.

Prelios Board of Directors, also following to the positive interaction with the leading Company lenders shareholders and taking into account the market evolution, reviewed the economic-financial projections and outlined the Business Plan strategic objectives described below, to be followed by all relevant implementation and verification activities, also in relation to the existing agreements with the Company lending entities. Such Plan, developed with a stand alone view, does not consider the effects deriving from the stipulation of any extraordinary corporate or commercial agreement, for which contacts with potential partners are already underway.

¹ Compound Annual Growth Rate.

² The 2013 value does not include the conversion of the Convertible Bonds (equal to 235.9 million euro at 31/12/2013) occurred on 14 April 2014.

The Company confirmed the business model as **pure management company**, with a view of completing the repositioning within three years to become the **asset manager of reference for Italian and foreign institutional investors**.

Prelios Group will focus on the **Service Platform** and on the **consolidation on the market based on two business lines**:

- **management services**: asset management, through **Prelios SGR**, and NPL management through **Prelios Credit Servicing**;
- **real estate services**, through **Prelios Integrated Services** one-stop-shop provider of property and facility services in Italy and in Germany.

The service platform will benefit from the **gradually reduced dependence on captive market to the advantage of third party market**. Meanwhile, the exposure of the operating companies will increase in the **premium segment** of the served market, i.e. the segment characterized by higher margins and multiannual contracts.

To integrate the current intensive **business development** activity, aimed at increasing the assets under management and the revenues on third party account, the **Service Platform** intends to take advantage **from the increase of operating and business synergies with the leading shareholder banks**.

However, with regard to **real estate co-investments**, an intensive plan for equity interest dispositions is envisaged, **to be finally completed by 2018**. In this context, a project to increase the value of equity investments could also be envisaged with the purpose of accelerating the goal achievement.

Moreover, a plan will start for the purpose of making leaner the holding structures, with an expected saving in the three-year period of approximately 25% compared to the actual figure of 12 million euro at December 2013.

From the operating viewpoint, Prelios Group proposes the following **economic-financial targets**:

Service Platform EBIT:

- Expected CAGR (2013-2016) of about 40% (2013 value: 6.3 million euro)

Net Financial Position:

- in 2016: below 200 million euro (2013 value: 388.4 million euro)³

Considering the objective to further improve revenue performance, in addition to more initiatives for business development (in relation to which the start of the new plan of commercial activities is generating positive effects), Prelios Group envisaged the following operations:

- **adoption of a set of financial measures** aimed at balancing cash inflows and outflows;
- **cost efficiency actions**, aimed at further rationalizing the Group cost structure without penalizing the development and retention of human excellences.

³ The 2013 value does not include the conversion of the Convertible Bonds (equal to 235.9 million euro at 31.12.2013) occurred on 14 April 2014.

NEGOTIATIONS PROGRESS WITH FORTRESS GROUP

Negotiations progress with the well-known international private equity Fund **Fortress Investment Group Ltd** as already disclosed to the market, relating to possible integrations with Prelios Group in management services.

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