

**PRESS RELEASE**

**OLINDA - FONDO SHOPS**

**UPDATE ON THE TRANSACTION FOR DISPOSITION  
OF THE FUND RESIDUAL ASSETS**

*Milan, 26 November 2014* – Prelios SGR, on the request of Consob, reports some updates regarding the transaction for the disposition of the residual assets of the listed real estate mutual fund called Olinda - Fondo Shops. This transaction was already disclosed to the market on 10 July 2014, 30 July 2014 and 30 October 2014, and reference should be made to the relevant press releases.

The terms provided for by law for the exercise (if any) of the pre-emptive right by some of the current tenants of the Fund properties, relating to the binding agreement entered into on 10 July 2014, expired on 25 November 2014. To the best of the Company's knowledge, at today's date two pre-emptive rights have been exercised following to the procedure: one resulted in the completion of the relevant deed of transfer of an entire property located in Reggio Emilia, on the terms and under the conditions already disclosed to the market on 30 October 2014, and one, notified last 24 November, following to which the transfer of a portion of the real estate complex located in Vergiate is expected to take place by 25 December 2014, within the terms provided for by law.

Even if in the next few days the Company may receive further notices on the exercise of the pre-emptive right, Prelios SGR has the reasonable certainty that the circumstances relating to the thresholds agreed under contract, that would prevent the occurrence of the condition precedent relating to the exercise of the pre-emptive rights by some tenants – as envisaged by the binding agreement entered into on 10 July 2014 – will not arise.

Considering the sale (which already took place) of the property located in Reggio Emilia, the Fund asset portfolio relating to the transaction in question includes 25 assets in total; this data includes the residual portions of the real estate complex of Vergiate on which the aforesaid pre-emptive right has not been exercised. As the two separate sales are made at the same price offered by the purchasers of the residual portfolio, their performance has no impact on the total proceeds deriving from the disposition of the Fund residual assets and on the consequent unit reimbursements.

In consideration of the above, the Company confirms that at today's date the conditions precedent envisaged by the binding agreement dated 10 July 2014 have occurred, except for the condition relating to the non-occurrence of any adverse events significantly prejudicial to the transaction (so-called *Material Adverse Change*)- which is usual for this type of transactions – that will have its effects until the date of the transaction completion and that could cause the non-completion of the transaction in case of any substantial reduction of the rents of the Fund properties following to the termination of, or withdrawal from, the relevant contracts, subject to some exceptions expressly set forth under contract.

With regard to the amount of the transfer price, up to Euro 8 million, subject to the occurrence, before closing date, of given lease conditions with reference to some portfolio assets, it should be noted that, based on the information currently available and on the communication sent to the purchasers on 24 November 2014 pursuant to the contract, it is

reasonable to assume that such conditions will not be fulfilled and, consequently, the total value generated by the transfers of the Fund residual assets will be equal to Euro 295 million (said amount includes (i) the sale value of the aforesaid properties of Reggio Emilia, for Euro 1.5 million, and Vergiate, for Euro 7.64 million, as well as (ii) the sale value relating to 100% of the shares of Olinda Centers S.r.l. for Euro 3.5 million pursuant to the contract, subject to any price adjustment after closing date).

It should be noted that an amount equal to Euro 5 million of the proceeds generated by the transfer of the Fund real estate assets will be deposited in an escrow account, to secure the indemnification obligations undertaken by the Company vis-à-vis the purchasers and relating to the representations and warranties given on the state and quality of the properties to be disposed. Such amount, decreased, if necessary, to the extent required for the payment of any indemnifications, may be released 12 months after the transaction closing date.

It should be noted in fact that the indemnification obligations relating to the representations and warranties are limited to a cap amount of Euro 5 million and will remain effective for 12 months from the date of stipulation of the final deed of transfer, except for any tax liabilities, that may entail an indemnification - should they occur - in the 36 months following the transaction completion, in any case up to max. Euro 5 million. The binding agreement entered into on 10 July 2014 also envisages an indemnification obligation that shall not exceed further Euro 5 million, in the event that no significant documentation has been made available to the purchasers and such circumstance results in a breach of the representations and warranties and in a liability for the asset portfolio purchasers. The latter indemnification obligation is limited in time, i.e. within 4 months from the transaction completion.

As a result of the above, the overall maximum indemnification that may be paid to the purchasers is equal to a total max. amount of Euro 10 million, except for the general warranty provided for by law relating to the eviction of the assets to be disposed.

With respect to the net sale proceeds, Prelios SGR confirms that, considering the commitments related to the representations and warranties, it is currently assumable that, following the sales completion, a first reimbursement may be made to the Fund unitholders of at least Euro 85.00 per unit, following the approval of the annual report at 31 December 2014.

The overall final reimbursement, however, may be determined only after the completion of the Fund winding up procedure, also in consideration of the aforesaid obligations of any indemnification. Upon completion of the asset transfers, the final value of reimbursements may be actually fixed only following to the execution of the consequent Fund winding-up administrative-accounting procedures, that may be defined and implemented upon approval of the winding-up final report, pursuant to the Fund Rules.

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