

PRELIOS: BOD APPROVED DATA AT 31 MARCH 2015

**CONFIRMED 2015 TARGET: TOTAL REVENUES (EQUAL TO 75/80 €/MLN) AND
CONSOLIDATED EBIT (6/8 €/MLN)**

LOSS REDUCED BY HALF VS. SAME PERIOD OF LAST YEAR

PERSISTENT FOCUS ON COST CONTROL

REVENUES IMPACTED BY TEMPORARY REDUCTION OF ASSET UNDER MANAGEMENT

GROUP NET RESULT EQUAL TO -6.1 €/MLN, LOSS OF 13.4 €/MLN RECORDED IN THE SAME PERIOD
OF LAST YEAR REDUCED BY 50%

- MANAGEMENT PLATFORM REVENUES AT 13.0 €/MLN (16.9 €/MLN AT 31 MARCH 2014)
- EBIT OF MANAGEMENT PLATFORM¹ NEGATIVE FOR 3.1 €/MLN (-1.6 €/MLN AT 31 MARCH 2014)
- GROUP EBIT² EQUAL TO -6.9 €/MLN, (-5.3 €/MLN IN THE SAME PERIOD OF 2014)
- EBIT FROM INVESTMENT ACTIVITIES³ NEGATIVE FOR 3.8 €/MLN (-3.7 €/MLN IN 1Q 2014)
- NET FINANCIAL POSITION NEGATIVE FOR 185.7 €/MLN (-187.6 €/MLN AT 31 DECEMBER 2014)
- CASH AVAILABLE AT 75.8 €/MLN (77.2€MLN AT 31 DECEMBER 2014)

Milan, 14 May 2015 – The Board of Directors of Prelios S.p.A., that held its meeting on today's date, examined and approved the Interim Report at 31 March 2015.

Group performance at 31 March 2015

The Group reported **consolidated revenues** equal to **16 million euro** (17.1 million euro at 31 March 2014). In particular, **management platform revenues in Italy and in foreign countries - Group core business** – amounted to **13 million euro** (16.9 million euro in the same period of last year), and revenues from investments were equal to 3 million euro (0.2 million euro at 31 March 2014).

The EBIT⁴ was negative for 6.9 million euro (5.3 million at 31 March 2014) and is made up as follows:

- **Management platform operations** recorded a **result negative for 3.1 million euro** (-1.6 million euro at 31 March 2014);
- **Investment activities**, i.e. the result generated by Prelios through its equity investments in funds and companies holding real estate assets and *Non Performing Loans*, **were negative**

1 Management platform EBIT indicates income generated through fund & asset management operations, specialised real estate services (Integra and agency), services connected with NPL management (credit servicing), as well as general and administrative expenses (G&A) for -2.7 million euro (-3.8 million euro at 31 March 2014). Gross of G&A costs (Holding costs), the value at 31 March 2015 is equal to -0.4 million euro (2.2 million euro in the same period of 2014).

2 Amount made up of Ebit plus net income from equity investments and income from shareholder loans, adjusted for restructuring costs and property writedowns/revaluations.

3 EBIT from Investment Activities is the value generated by the Group through its equity investments in funds and investment companies.

4 EBIT indicates the EBIT plus net income from equity investments and income from shareholder loans, adjusted for restructuring costs and property writedowns/revaluations.

for **3.8 million euro** (-3.7 million euro at 31 March 2014). The asset disposition process continues at a fast pace, with sale of properties in 1Q 2015 for 264.6 million euro (33.7 million euro on a pro rata basis) vs. 121.7 million euro at 31 March 2014 (50.8 million euro on a pro rata basis). Real estate transactions have been performed at values substantially in line with book value.

The financial management in 1Q 2015 was positive for 0.9 million euro against a negative value of 5.9 million euro at 31 March 2014. This improvement largely results from the realized capital gain following to the repayment of the financial debt to UBI Banca on a lump-sum basis.

The **Group net result for the period was negative for 6.1 million euro**, improving against the actual result at 31 March 2014 negative for 13.4 million euro. Differently from what happened in the same period of 2014, the net result at 31 March 2015 was impacted by some items not related to ordinary management, like asset devaluations for 0.6 million euro and renovation costs for 0.6 million euro.

Consolidated net equity was positive and equal to 100.1 million euro (107.3 at 31 December 2014). The variation is mainly attributable to the loss for the period.

The net financial position⁵ is negative for 185.7 million euro (187.6 at 31 December 2014).

During the first quarter of 2015 Prelios S.p.A. purchased about 39% of Officinae Verdi S.p.A., the first operator in energy efficiency in Italy with development projects estimated in over 150 million euro in the next three years.

Performance of the Business Divisions at 31 March 2015⁶

The performance in the first quarter was impacted by the disposal of significant masses and assets under management that had reached their natural expiry date. This phenomenon was counterbalanced by the recent start of new mandates and engagements (including by way of example those for Cassa Depositi e Prestiti and Municipality of Rome), the revenues of which are not reflected in the period in question, but in the next periods.

ITALY

The Italian management platform revenues were equal to 10.7 million euro (14.0 million euro in the same period of 2014). **The EBIT of the Italian management platform at 31 March 2015 was negative for 1.1 million euro** (positive for 1.9 million euro in the same period of 2014).

In particular, as regards the performance and perspectives of each service of the domestic management platform, the following should be noted:

- **PRELIOS SGR** reported revenues for 3.8 million euro (5.1 million euro in the same period of 2014) and a positive EBIT equal to 0.4 million euro (1.2 million euro at 31 March 2014). The decline in revenues may be attributed to the exit of Fondo Olinda from the funds under management as a result of the winding-up of this Fund as well as of the reduced fees related to

⁵ Excluding receivables for shareholder loans.

⁶ It should be noted that the results indicated in this paragraph (net of restructuring costs and property writedowns/revaluations) refer to the result of the service activities as well as of investment activities and include the proceeds from shareholder loan, while they do not include the relevant G&A/holding costs).

Fondo Tecla the term of which was extended. Such decline did not fully impact the EBIT thanks to the cost control action. In the first three months of 2015 PRELIOS SGR managed real estate assets for a value equal to 3.5 billion euro distributed among 26 real estate funds under management, 25 of which are reserved for Italian and international qualified investors, while the remaining one, Fondo Tecla, is destined to retail clients and is listed on the MIV on the Milan Stock Exchange.

- **PRELIOS Credit Servicing**, the Group company operating in the sector of non performing loan management, recorded revenues equal to 1.2 million euro (2.6 million euro at 31 March 2014) and an EBIT negative for 1.1 million euro against a positive value of 0.3 million euro in the same period of last year. Such values – compared to those recorded in the same period of 2014 - discounted the exit from special servicing mandates following to the exit from the Company DGAD International S.à.r.l., leading investor in managed SPVs, and to the lack of non recurrent revenues as it occurred in the same period of 2014. In 1Q 2015, the Company took part in important Due Diligence activities involving international investors for the purchase of NPL portfolios (mortgage, unsecured and finance lease loans) and was assigned mandates for the management of portfolios for a Gross Book Value of about 500 million euro. In February 2015, following the agreements occurred starting from July 2014, UniCredit entered into the long-term strategic agreement with Fortress-Prelios alliance, envisaging:
 - the disposition to Fortress affiliated companies of the entire stake of UniCredit in UniCredit Credit Management Bank S.p.A. ("UCCMB"), including a NPL portfolio for a gross value of about 2.4 billion euro;
 - the main terms and conditions of a long-term strategic contract in relation to the current and future distressed NPL of small and medium size. Fortress and Prelios agreed that they will collaborate as industrial partners in the management of some distressed NPLs.

The transaction completion is subject to regulatory authorizations and standard conditions for this type of transactions.

This agreement will contribute to make the Italian NPL collection servicing market more independent and it represents a positive step for the development of this sector, as it already occurred in other European countries.

- **PRELIOS Integra** is a leading Italian operator in the sector of integrated services for property management and project development, with about 5 billion euro worth properties under management for over 5.4 million sq m.

In the first three months of 2015 it recorded revenues for 4.2 million euro, slightly declining vs. 4.4 million euro in the same period of 2014, while the EBIT was positive for 0.2 million euro, in line with the result for the same period of the previous year.

- **PRELIOS Agency** recorded revenues for 0.4 million euro at 31 March 2015 (0.7 million euro in the same period of last year) with an EBIT negative for 0.6 million euro (negative for 0.2 million euro at 31 March 2014). The reduction is due to minor proceeds from the lease activity. The strategic restructuring and repositioning of commercial asset offer continues, which made Prelios Agency focus exclusively on institutional brokerage and international operators.

In 1Q 2015, the volumes intermediated by Prelios Agency reached a value equal to 10.6 million euro against 10.8 million euro in 1Q 2014.

In particular, during the first quarter of 2015, the company was assigned new mandates and renewed sale agency contracts for a value of about 277 million euro, and it was also assigned new important lease agency mandates relating to about 2,000 sq m and with rents equal to about 0.5 million euro.

- **PRELIOS Valuations**, the Group company operating in the sector of appraisal of single properties and real estate asset portfolios for office/light industrial and residential use, leader in valuation services to banks, recorded revenues for 1.1 million euro (1.2 million euro at 31 March 2014) with break-even EBIT (positive for 0.4 million euro at March 2014). The company – at today's date – has mandates relating to about 35,000 appraisals per annum.

GERMANY

The **revenues** of the German service platform at 31 March 2015 were equal to 2.6 million euro (2.9 million euro at 31 March 2014). The **EBIT** at 31 March 2015 was positive for 0.8 million, increasing vs. 0.5 million euro at 31 March 2014 .

POLAND

The results recorded by the management platform in Poland were substantially in line with those of last year: revenues equal to 0.1 million euro (0.1 million euro at 31 March 2014), and an **EBIT** negative for 0.1 million euro.

Business Outlook

Following the mandate assigned to the CEO, Sergio Iasi, at the past Board meeting - as already disclosed to the market , the Company continued the activities aimed at verifying the feasibility of a transaction for the spin-off of the investment activities and the service activities, with the purpose of accelerating the achievement of the well known objective of its repositioning as pure management company, in the framework of a possible redefinition of the Group activities and of an overall financial and equity strengthening.

In this respect, several meetings were held and contacts were made with all the subjects potentially involved, which are progressing successfully, also with the assistance of the Company advisors. Subject to the approval of the Company lending banks, the Company is confident to finalize the related agreements in a reasonable time, to be followed by the stipulation of the relevant agreements and the start of the consequent technical activities and operations, also including the transfer of business relating to the investment activity of a separate SPV.

2015 Shareholders' Meeting

Following to the resignation by dott.ssa Claudia Bugno already disclosed to the market on 1 April 2015, the Board of Directors – considering that the shareholders' meeting will be soon called – has not replaced her, deferring any decision thereon to the shareholders' meeting.

The Board of Directors confirmed the mandate to the Chairman and to the CEO to fix the date, time and venue of the meeting to be held on single call, in accordance with the law.

The Shareholders' Meeting **in ordinary session** will be called to resolve on the following:

1. Financial Statements at 31 December 2014. Relevant and consequent resolutions.
2. Measures to adopt pursuant to art. 2364, par. 1, n. 2), of the Italian Civil Code. Relevant and consequent resolutions.
3. Report on Remuneration: discussion on Remuneration Policy.

The Shareholders' Meeting **in extraordinary session** will also be called to resolve on the following:

1. Measures to adopt pursuant to art. 2446, par. 2, of the Italian Civil Code: share capital reduction. Relevant and consequent resolutions (including amendment to and update of article 5 of the Company By-Laws). Assignment of powers.

The Interim Report at 31 March 2015 will be made available to applicants tomorrow, 15 May 2015, at the offices of the Company in Milan, Viale Piero e Alberto Pirelli n. 27 and will be published on the Company website at www.prelios.com (section investors). The document will also be available at Borsa Italiana S.p.A. on the Information Portal "1info" at www.1info.it.

The Financial Reporting Officer of Prelios S.p.A. Dr. Marco Andreasi, certifies - pursuant to art. 154-bis, par. 2, of the Consolidated Finance Act (Italian Legislative 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.

This press release, and in particular, the section “Business outlook”, contains forecast statements. These forecasts are based on the current estimates and projections of the Group in relation to future events and, by their nature, these are subject to inherent risk and uncertainty elements. The actual results could be significantly different from those contained in said forecasts due to several factors, including a continuous volatility and a further deterioration of capital and stock markets, any change in macroeconomic conditions and in the economic growth, and any other change in business conditions, in addition to other factors, the majority of which is not under the Group’s control.

This press release contains references to the following primary alternative performance indicators for the purposes of better evaluating the Prelios Group operating performance: (i) the EBIT, which is determined from the operating result to which the result from investments shall be added, and income from shareholder loans net of restructuring costs and property writedowns/revaluations; (ii) the net financial position, represented by gross financial debt less cash and other cash equivalents and other current financial receivables. The aforementioned alternative performance indicators have not been audited by the independent auditors.

In compliance with CONSOB Communication 6064291 of 28 July 2006, the statements attached hereto have not been audited by the independent auditors Reconta Ernst & Young S.p.A.

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1) PRELIOS GROUP - Reclassified Consolidated Income Statement

(Euro/million)	MARCH 2015	MARCH 2014
Consolidated revenues:	16.0	17.1
<i>of which services</i>	13.0	16.9
<i>of which others</i>	3.0	0.2
Management platform: operating result before restructuring costs, impairment and property writedowns/revaluations	(3.1)	(1.6)
Total Management Platform & Holding: Operating result	(3.1)	(1.6)
Investment activities: operating result before restructuring costs and property writedowns/revaluations	(2.7)	(2.8)
Investment activities: net income from equity investments before restructuring costs and property writedowns/revaluations	(2.1)	(2.8)
Investment activities: income from shareholder loans (*)	1.0	1.9
Total Investment Activities: Operating result	(3.8)	(3.7)
Operating result	(6.9)	(5.3)
Financial expenses	0.9	(5.9)
Profit (loss) before restructuring costs, property writedowns/revaluations and income taxes	(6.0)	(11.2)
Restructuring costs	(0.6)	0.0
Property writedowns/revaluations	(0.6)	0.0
Result before taxes	(7.2)	(11.2)
Income taxes	(0.4)	(1.3)
Net income (loss) from continuing operations	(7.6)	(12.5)
Minority interests	0.0	0.0
Consolidated net income/(loss) before discontinued operations	(7.6)	(12.5)
Net income (loss) from discontinued operations	1.5	(0.9)
Consolidated net income/(loss)	(6.1)	(13.4)

(*) This amount consists mostly of interest income on financial receivables due from associates and *joint ventures* .

2) PRELIOS GROUP - Reclassified Consolidated Balance Sheet

(Euro/million)	MARCH 2015	DECEMBER 2014
Fixed assets	332.6	334.2
of which investments in real estate funds and investment companies and shareholder loans granted (1)	257.9	273.6
of which goodwill	56.4	56.4
Net working capital	17.0	17.0
Discontinued operations	3.6	12.2
Net invested capital	353.2	363.4
Equity	100.1	107.3
of which group equity	97.7	104.8
Provisions	67.4	68.5
Net financial position from operating activities	185.7	187.6
Liabilities relating to discontinued operations	0.0	0.0
Total covering net invested capital	353.2	363.4

(1) The item includes equity investments in associates, joint ventures and other equity investments (144.0 million euro), receivables for shareholder loans (99.5 million euro), investments in real estate funds (10.0 million euro, recognised among "Other financial assets" in the consolidated balance sheet) and junior notes (4.8 million euro, recognised among "Other financial assets" in the consolidated balance sheet). The figures for March 2015 include provisions for equity investment writedowns of 0.4 million euro (amount unchanged compared to December 2014).

3) PRELIOS GROUP - Consolidated Income Statement

(amounts in thousands of Euro)

	01.01.2015- 03.31.2015	01.01.2014- 03.31.2014
Revenues from sales and services	15,973	17,054
Changes in inventories of work in progress, semi-finished and finished products	(2,450)	9
Other income	2,144	681
TOTAL OPERATING REVENUES	15,667	17,744
<i>of which with related parties</i>	5,701	6,808
<i>of which non-recurring events</i>	34	-
Raw and consumable materials used (net of change in inventories)	(226)	(90)
Personnel costs	(8,600)	(10,033)
Depreciation, amortization and impairment	(157)	(113)
Other costs	(13,064)	(11,889)
TOTAL OPERATING COSTS	(22,047)	(22,125)
<i>of which with related parties</i>	(660)	(752)
<i>of which non-recurring events</i>	(628)	-
OPERATING RESULT	(6,380)	(4,381)
Net income from equity investments of which:	(2,736)	(2,821)
<i>of which with related parties</i>	(2,736)	(2,844)
- portion of result of associates and <i>joint ventures</i>	(2,611)	(4,413)
- gains on equity investments	-	1,729
- losses on equity investments	(125)	(137)
Financial income	6,453	2,193
<i>of which with related parties</i>	1,092	1,960
Financial expenses	(4,614)	(6,117)
<i>of which with related parties</i>	(7)	(398)
RESULT BEFORE INCOME TAXES	(7,277)	(11,126)
Income taxes	(379)	(1,320)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(7,656)	(12,446)
of which attributable to minority interests	(14)	49
Net income (loss) from discontinued operations	1,519	(858)
<i>of which with related parties</i>	-	4,019
CONSOLIDATED RESULT FOR THE PERIOD	(6,123)	(13,353)

4) PRELIOS GROUP - Consolidated Balance Sheet

(amounts in thousands of Euro)

ASSETS	03.31.2015	12.31.2014
NON-CURRENT ASSETS		
Property, plant and equipment	817	853
Intangible assets	59,070	59,082
Investments	143,285	150,104
<i>of which held for sale</i>	-	3,849
Other financial assets	30,285	16,254
Deferred tax assets	8,184	8,310
Other receivables	108,360	113,596
<i>of which with related parties</i>	99,543	108,355
TOTAL NON-CURRENT ASSETS	350,001	348,199
CURRENT ASSETS		
Inventories	40,876	43,472
Trade receivables	32,314	35,074
<i>of which with related parties</i>	16,841	18,758
Other receivables	16,105	17,773
<i>of which with related parties</i>	8,741	8,834
Cash and cash equivalents	75,843	77,192
Tax receivables	2,307	3,013
TOTAL CURRENT ASSETS	167,445	176,524
DISCONTINUED OPERATIONS	3,572	12,164
<i>of which with related parties</i>	3,572	9,964
TOTAL ASSETS	521,018	536,887
EQUITY	03.31.2015	12.31.2014
GROUP EQUITY		
Share capital	426,432	426,432
Other reserves	(16,822)	(15,940)
Retained earnings	(244,681)	(244,539)
Undivided income (loss)	(61,149)	-
Net income (loss) for the year	(6,123)	(61,149)
TOTAL GROUP EQUITY	97,657	104,804
MINORITY INTERESTS	2,476	2,488
TOTAL EQUITY	100,133	107,292
LIABILITIES	03.31.2015	12.31.2014
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	252,511	256,434
Other payables	524	524
Provisions for future risks and expenses	38,760	40,187
Deferred tax provision	2,346	2,156
Employee benefit obligations	12,033	12,080
Tax payables	-	122
TOTAL NON-CURRENT LIABILITIES	306,174	311,503
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	9,188	8,490
<i>of which with related parties</i>	6,576	6,576
Trade payables	48,918	47,316
<i>of which with related parties</i>	3,033	3,063
Other payables	37,485	40,917
<i>of which with related parties</i>	5,154	19,039
Provisions for future risks and expenses	14,566	14,510
<i>of which with related parties</i>	418	418
Tax payables	4,554	6,859
<i>of which with related parties</i>	1,080	1,080
TOTAL CURRENT LIABILITIES	114,711	118,092
TOTAL LIABILITIES	420,885	429,595
TOTAL LIABILITIES AND EQUITY	521,018	536,887