



PRESS RELEASE

**PRELIOS: HELD SHAREHOLDERS' MEETING**

- APPROVED 2012 FINANCIAL STATEMENTS
- APPOINTED NEW BOARD OF DIRECTORS  
COMPOSED OF FIFTEEN MEMBERS, SEVEN OF WHOM ARE INDEPENDENT DIRECTORS
- APPOINTED NEW BOARD OF STATUTORY AUDITORS COMPOSED OF THREE STANDING  
AUDITORS AND 2 ALTERNATE AUDITORS
  - EXPRESSED FAVOURABLE OPINION ON "REMUNERATION POLICY"

**GREEN LIGHT TO THE GROUP EQUITY STRENGTHENING, FINANCIAL REBALANCING AND  
INDUSTRIAL RELAUNCH:**

- APPROVED REDUCTION OF SHARE CAPITAL FOR LOSSES AND GROUPING OF ORDINARY  
SHARES IN A 1:10 RATIO
- APPROVED CAPITAL INCREASE FOR A TOTAL OF 185 €/MLN, OF WHICH AT LEAST  
100 €/MLN SECURED BY NEW CASH.  
TRANSACTION EXPECTED TO START BY JUNE  
(SUBJECT TO PUBLICATION OF THE INFORMATION MEMORANDUM)
- BOARD RECEIVED MANDATE TO ISSUE CONVERTIBLE DEBENTURES  
FOR A NOMINAL VALUE UP TO 269 €/MLN
- APPROVED FEW AMENDMENTS TO THE COMPANY BY-LAWS

**HELD BOARD OF DIRECTORS' MEETING**

**GIORGIO BRUNO APPOINTED AS CHAIRMAN, MASSIMO CAPUTI AS DEPUTY CHAIRMAN,  
SERGIO IASI CONFIRMED AS CEO**

*Milan, 08 May 2013* – The ordinary and extraordinary Shareholders' Meeting of Prelios S.p.A. was held on today's date.

The ordinary Shareholders' Meeting approved **the 2012 financial statements** which closed with a net consolidated loss of € 241.7 million (-289.6 million in the previous year) while the company financial statements closed with a loss of about € 214 million (-311.5 million in 2011), which entails a reduction in the net working capital of about € 4.6 million, with the share capital decreased by over one third.

Prelios S.p.A. Shareholders' Meeting **appointed the Board of Directors**, determining in **15 the number of its members** (bringing it back to the initial size as fixed upon its appointment in 2011), and voting the only list submitted by shareholders Camfin S.p.A., Intesa Sanpaolo S.p.A. and Massimo Moratti. Moreover, its term has been established in three years (i.e. until the shareholders'

meeting to be called for the approval of the financial statements at 31 December 2015) and the overall annual compensation of the entire Board has been determined in the amount of max. € 650,000, that will be subsequently allocated among its members based on the resolutions adopted by the same Board of Directors.

The following **Directors** have been appointed: Giorgio Luca Bruno, Sergio Iasi, Massimo Caputi, Francesco Umile Chiappetta, Massimo Tezzon (independent), Davide Mereghetti, Giovanni Jody Vender (independent), Carlo Croce (independent), Andrea Mangoni (independent), Moroello Diaz della Vittoria Pallavicini, Marina Brogi (independent), Rosa Cipriotti (independent), Claudia Bugno (independent), Anna Chiara Svelto, Alessandra Patera.

The Board, so composed of 7 Independent Directors and 5 women out of 15, fully complies with the currently applicable regulatory provisions in the matter of balanced proportion of genders, anticipating the application of the regulatory provisions

The curricula vitae of the Directors, already published pursuant to law and to the Company By-Laws, are available on the Company website [www.prelios.com](http://www.prelios.com).

The Shareholders' Meeting of Prelios S.p.A. **appointed also the Board of Statutory Auditors** by voting the sole list submitted by shareholders Camfin S.p.A., Intesa Sanpaolo S.p.A. and Massimo Moratti, and approving the gross annual compensation of € 55,000.00 for the Standing Statutory Auditors and of € 37,000.00 for each of the two other Standing Statutory Auditors. The Board of Auditors will hold office for three years, until the shareholders' meeting to be called for the approval of the financial statements at 31 December 2015.

The following **Statutory Auditors** have been appointed: Enrico Laghi (Chief Statutory Auditor), Michela Zeme and Marco de Ruvo as Standing Auditors, Luca Aurelio Guarna and Flavia Daunia Minutillo as Alternate Auditors.

Also the composition of the Board of Statutory Auditors fully complies with the currently applicable regulatory provisions in the matter of balanced proportion of genders, anticipating the application of the regulatory provisions

The curricula vitae of the Statutory Auditors, already published pursuant to law and to the Company By-Laws, are available on the Company website [www.prelios.com](http://www.prelios.com).

With reference to the remuneration report submitted to the Shareholders' Meeting pursuant to art. 123-ter of the Consolidated Finance Act, the same expressed its favourable opinion on the "remuneration policy" and on the relevant procedures followed for its adoption and implementation.

### **Prelios Group equity strengthening and industrial relaunch plan**

The extraordinary Shareholders' Meeting approved the Prelios group equity strengthening, finalized also with the envisioned entry of a new industrial partner, in the broader framework of the extraordinary transaction, already approved by the Board of Directors of 27 March 2013 and disclosed to the market (also referred to in the press release of this morning issued after the meeting of the Board of Directors that, among other things, approved the Interim Report at 31 March 2013), which also envisages the rescheduling of the current financial debt in line with the new business plan.

Within the scope of the aforesaid extraordinary transaction, pursuant to art. 2446 of the Italian Civil Code the Shareholders' Meeting resolved upon the full coverage of the losses at 31 December 2012 through the **share capital reduction** to € 4,881,622.50.

The Shareholders' Meeting also approved to make – concurrently - the **grouping of ordinary shares** in a ratio of 1 ordinary share every 10 ordinary shares held, subject to prior cancellation of no. 1,171,777 ordinary shares held by the Company without share capital reduction, also in order to allow the overall transaction reconciliation as well as to streamline the overall transaction management, also considering that the purposes for which the treasury shares had been acquired in the past no longer exist.

Further to the grouping, the total number of outstanding shares will be reduced to 84,000,000 ordinary shares. The grouping is expected to become effective starting from 20 May 2013 (or from the next Monday, 27 May, should the technical timing requires it), pursuant to the currently applicable regulations, through the authorised intermediaries members of the centralized management system managed by Monte Titoli; the mandate for the purchase and sale of the fractional shares is expected to be assigned to a leading intermediary being a member of the centralized management system who shall make the purchase and sale of the fractional shares in order to facilitate the grouping process; all the above will take place with no cost for the shareholders. The punctual timing and criteria will be promptly advertised to the market.

The Meeting also approved **the capital increase of € 185 million in total**, to be made in two tranches, through:

- divisible capital increase against payment, for a total amount up to **€ 115,009,511.53**, with option rights to all Company shareholders, through the issue of maximum **no. 193,195,887 ordinary shares**, that will have regular enjoyment and features identical to those of the outstanding shares upon their issue, to be subscribed by cash or possibly even by the offsetting or waiving of receivables claimed from the Company, and to be performed within one year from resolution date. Camfin, Assicurazioni Generali, Mediobanca and Intesa Sanpaolo, among the current parties to the Prelios shareholders' agreement, confirmed that they will underwrite a stake of approximately € 25 million in total, while the residual € 90 million approximately will be guaranteed by the Company Lenders<sup>1</sup> by cash for about € 5 million (secured by creditors Intesa Sanpaolo, Unicredit and Pirelli & C.) and by conversion of the claimed receivables up to about € 85 million (with a pro rata guarantee of all Company lenders);
- indivisible capital increase against payment, for a total amount of **€ 70,005,789.37**, reserved to a newly incorporated special purpose vehicle (so-called "NewCo") - participated by Feidos 11 S.p.A., Pirelli & C. S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. – and, consequently, excluding the option right, through the issue of **no. 117,597,496 B** shares, convertible into ordinary shares, to be subscribed by cash, and to be made within the term of one year from resolution date. NewCo will be participated with a shareholding of about € 20 million by the industrial investor Feidos 11 and for the residual € 50 million approximately by creditors Pirelli & C. S.p.A., Intesa Sanpaolo S.p.A. and UniCredit. For B shares the listing will not be requested and, as already mentioned, such shares will be convertible into ordinary shares pursuant to

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<sup>1</sup> The "Lending Banks" from the so-called "Club Deal" and Pirelli & C. S.p.A.. The Lending Banks are the following: Intesa Sanpaolo S.p.A., UniCredit S.p.A., Banca Monte dei Paschi di Siena S.p.A., Banca popolare di Milano Soc. Coop. a r.l., Banca Popolare di Sondrio Soc. Coop. p.a., Banca popolare dell'Emilia Romagna Soc. Coop., Banca Carige S.p.A.- Cassa di Risparmio di Genova e Imperia - Centrobanca-Banca di Credito Finanziario e Mobiliare S.p.A., (ora UBI Banca Soc.Coop.p.A.); Banca IMI S.p.A. is the "Agent Bank".

Prelios new By-Laws, as amended following to the resolutions adopted on today's date, in case of transfer to third parties or in case of a takeover bid and/or exchange of Company shares.

Such increase will be proposed for both tranches at the **subscription price equal to € 0.5953 per share**, after the grouping transaction. It should also be noted that the commitments undertaken by the various entities will ensure to the Company a cash capital increase of at least € 100 million of new resources. It is hereby specified that, in relation to the capital increase with option rights, the relevant ratio (ratio for the attribution of shares resulting from the capital increase with option rights) will be 23 newly issued shares every 10 ordinary shares of the Company held after the grouping.

Finally, the Shareholders' Meeting approved the assignment of the mandate to the Board of Directors, pursuant to art. 2420-ter, par. 2, of the Italian Civil Code, to issue convertible debentures up to a nominal amount of **€ 269,000,000 ("convertible debentures")** to be converted into ordinary shares and/or B shares, excluding any option right, with consequent divisible share capital increase for the exclusive service of the conversion, of a total of € 297,644,375.01, to be made through the issue of a maximum number of 499,990,551 ordinary shares and 144,678,117 B shares. This mandate shall be exercised within the term of one year from resolution date at the latest.

With reference to the envisaged transactions, it should be noted that the same fall within the Recovery Plan aimed at allowing Prelios to pursue – with a more solid structure, also adequate to the particular market conditions recorded as a result of the crisis that affected the stock markets in general and the real estate sector in particular – the actions envisaged by the same Plan and to strengthen its equity structure, hence reducing leverage level. The proceeds deriving from the transactions are allocated to support the actions envisaged under the Plan, and it should be recalled that such Plan has been approved by the Board of Directors on 27 March 2013 and validated by the independent appraiser, Dott. Mario Civetta, on 28 March 2013, pursuant to art. 67, paragraph 3, letter d), of Royal Decree n. 267 dated 16 March 1942.

The completion of the transactions and the consequent implementation of the Plan will allow to maintain the assumption of the continuity of operations, also due to the renewed achievement of economic and financial stability conditions as well as the equity strengthening of the Company, that shall facilitate the relaunch of the business development prospects.

The start of the capital increase with option rights is currently scheduled by June 2013, subject to the granting of the necessary authorisations by the regulatory authorities, also for the purposes of the publication of the relevant information memorandum relating to the capital increase.

Indeed, it should be recalled that the start of the capital increase with option rights through the newly issued shares may occur only after the publication of the relevant information memorandum, subject to the release of the authorisation by Consob. Consequently, the reserved capital increase is estimated to be initiated within the same term, subject to the occurrence of the conditions provided for under the final agreements entered into by the various parties taking part in the transaction, including the release by the competent authorities of the exemption of the takeover bid obligations and of the authorisation to the publication of the information memorandum relating to the capital increase with option rights.

It is envisaged that the issue of the convertible debentures – following to the exercise of the mandate by the Board of Directors – may take place within the current year, after the implementation of the capital increases resolved upon. The implementation of the consequent capital increase serving the conversion shall be made on the terms and conditions and based on the criteria that shall be defined by the Board of Directors, on the basis of the final agreements made with the Company Lenders, in the regulations of the convertible debentures.

For the transaction in question, Prelios is assisted by Lazard S.r.l. as financial advisor and by Labruna Mazziotti Segni Law Firm as legal advisor. Feidos 11 is assisted by Leonardo & Co. as financial advisor and by Gianni, Origoni, Grippo, Cappelli & Partners as legal advisor.

The Shareholders' Meeting also approved some proposals of amendments to the Company By-Laws as a result of the aforesaid resolutions (articles 5, 6 and new article 6-*bis*) and with the purpose to allow compliance with the currently applicable regulations in the matter of balanced proportion of genders, (both for the appointment of the Statutory Auditors and in case of their replacement during their term), however by adopting more flexible criteria in the formation of the lists (art. 22). In this respect, it should be recalled that the Shareholders' Meeting of 17 April 2012 already included in the By-Laws what requested by the new regulatory provisions, by approving the relevant amendments to articles 12 and 22 which regulate the criteria for the appointment of the Members of the Board of Directors and of the Members of the Board of Statutory Auditors, and applying, in advance, the minimum percentage of one third as required by the new rules above referred to. Finally the By-Laws also included the new right for the shareholders to submit further proposals of resolution on items already on the agenda (art. 7).

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**The Board of Directors**, that held its meeting at the end of the Shareholders' Meeting, **has resolved on the following appointments** and the relevant powers and attributions.

**Giorgio Luca Bruno** has been appointed as **Chairman**. He joined Camfin group in 1990, became its General Manager in 1998 and then CEO from 2008 to 2009. He currently holds executive offices in many companies controlled by Pirelli & C., among which: Pirelli Ambiente and Pirelli & C. Eco Technology, of which he is the Chairman and CEO, and Pirelli PZERO, of which he is the Chairman. He is also member of the Board of Directors of GWM Renewable Energy II.

**Massimo Caputi**, has been appointed as **Deputy Chairman with business development powers**. He is an entrepreneur and expert manager in real estate finance. In his long career he led important projects and companies, among which Grandi Stazioni of which he was CEO until 2002, and Sviluppo Italia, where he held the office of CEO until 2005. He was CEO of FIMIT SGR from 2000 to 2011 and, until 2012, Managing Director of IDeA Fimit SGR, a company incorporated from the merger, that he managed, of FARE SGR (De Agostini Group) into FIMIT SGR. He is currently partner of Feidos S.p.A.

**Sergio Iasi** has been confirmed as CEO.

The Board of Directors has also assessed the independence prerequisites of the 7 independent

directors, confirming that Massimo Tezzon, Giovanni Jody Vender, Carlo Croce, Andrea Mangoni, Marina Brogi, Rosa Cipriotti and Claudia Bugno fulfil the prerequisites as envisaged in the Consolidated Finance Text and in the Corporate Governance Code of listed companies issued by Borsa Italiana S.p.A..

The Board of Directors has appointed Massimo Tezzon as *Lead Independent Director*.

The *curriculum vitae* of the Directors are published on the Company website.

In accordance with the Corporate Governance Code of Listed Companies the Internal Control, Risk and Corporate Governance Committee has been set up with Directors Massimo Tezzon (Chairman), Marina Brogi, Andrea Mangoni and Anna Chiara Svelto and for the Remuneration Committee Giovanni Jody Vender (Chairman), Rosa Cipriotti, Carlo Croce and Davide Mereghetti.

Finally, pursuant to the Organizational Model 231 adopted by the Company, the Board of Directors appointed the Supervisory Board composed of Massimo Tezzon (Independent Director and Chairman), Sergio Beretta, Michela Zeme and Sergio Romiti (*Internal Audit* Officer and Company Internal Control Officer).

Angelo Cattaneo has been confirmed as Financial Reporting Officer, responsible for the drafting of the corporate accounting documents.

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Prelios Annual Financial Report at 31 December 2012, approved by the Shareholder's Meeting and including the company financial statements, the consolidated financial statements, the directors' report, the certification pursuant to art. 154-bis, par. 5, of Legislative Decree dated 24 February 1998 and the following amendments, as well as the report by the Board of Statutory Auditors and the Independent Auditors' report, is available to the public at the registered office of Milan, Viale Piero e Alberto Pirelli n. 27 and at the offices of Borsa Italiana S.p.A.. The same documents are available on the company website at [www.prelios.com](http://www.prelios.com). The additional documents, pursuant to art. 77 of the Regulation approved by Consob resolution n. 11971/1999 and the following amendments, are available at the Company registered office. The minutes of the Shareholders' Meeting will be made available to the public by 7 June 2013.

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### **For further information:**

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