



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

Milan, 30 August 2013 – 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 31 July 2013.

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

Prelios Group Net Financial Position at 31 July 2013 is negative for 372.1 million euro, compared to -562.3 million euro at June 2013.

The value at 31 July 2013 factors in the effects of the capital increase transaction limitedly to the portion “reserved capital increase in cash” already completed at that date, equal to 70,006,000 euro. As the capital increase with option rights was not yet completed at 31 July 2013 (which has been subsequently finalized on 23 August), the group assumed, against the commitments undertaken by lenders, the conversion of outstanding receivables for 85,000,000 euro - an amount corresponding to the maximum subscription guarantee - and, consequently, an amount of the compulsory convertible debentures (“Convertible Loan”) of a nominal value of 225,979,000 euro. Such assumptions have been made independently from the actual subscription of the capital increase with option rights by shareholders and by the market.

For the sake of completeness, it should be noted that, following completion of the capital increase transaction, the Company has been assured a capital increase in cash for 115,427,000 euro (of which 70,006,000 euro following the reserved capital increase and 45,421,000 euro following the capital increase with option rights) and, therefore, the actual amount of the outstanding receivables converted into equity by lenders, thus fulfilling their commitments, has been equal to 69,588,000 euro while the Convertible Loan has been issued for an amount equal to a nominal value of 233,534,000 euro.

Prelios S.p.A. Net Financial Position at 31 July 2013 is negative for 388.6 million euro, compared to -577.8 million euro at June 2013.

Details are provided in the table below.

Prelios Group Net Financial Position

(thousands euro)

| | 07.31.2013 | 06.30.2013 | 12.31.2012 |
|---|------------------|------------------|------------------|
| CURRENT ASSETS | | | |
| Other receivables | 176 | 176 | 176 |
| <i>- of which receivable from related parties</i> | 176 | 176 | 176 |
| Financial receivables | 176 | 176 | 176 |
| - <i>joint ventures and other Prelios Group companies</i> | 176 | 176 | 176 |
| Cash and cash equivalents | 87,207 | 22,695 | 45,090 |
| TOTAL CURRENT ASSETS - A | 87,383 | 22,871 | 45,266 |
| CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other financial institutions | (6,441) | (207,233) | (144,739) |
| <i>- of which payable to related parties</i> | (3,064) | (24,391) | (17,993) |
| - joint ventures and other Prelios Group companies | (3,050) | (4,997) | (4,487) |
| - other related parties | (14) | (19,394) | (13,506) |
| - Other financial payables | (1,273) | (1,141) | (2,057) |
| - Bank borrowings | (2,006) | (181,603) | (124,591) |
| - Payables to other financial institutions | (98) | (98) | (98) |
| TOTAL CURRENT LIABILITIES - B | (6,441) | (207,233) | (144,739) |
| NON-CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other financial institutions | (453,017) | (377,980) | (420,993) |
| <i>- of which payable to related parties</i> | (148,083) | (157,984) | (157,389) |
| - joint ventures and other Prelios Group companies | - | - | (32) |
| - other related parties | - | (157,984) | (157,357) |
| - convertible loan (*) | (227,310) | - | - |
| - other financial debts | (631) | (631) | (627) |
| - Payables to other financial institutions | (225,076) | (219,365) | (262,977) |
| TOTAL NON-CURRENT LIABILITIES - C | (453,017) | (377,980) | (420,993) |
| NET DEBT EXCL. SHAREHOLDER LOANS GRANTED (**) = D | (372,075) | (562,342) | (520,466) |

(*) The convertible loan (227,310 thousands euro included interests accrued in the first seven months of the year) is referred for 148,083 thousands euro to Pirelli & C. S.p.A..

(**) Pursuant to the 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)

| | 07.31.2013 | 06.30.2013 | 12.31.2012 |
|---|------------------|------------------|------------------|
| CURRENT ASSETS | | | |
| Other receivables | 53,777 | 55,533 | 52,460 |
| <i>- of which receivable from related parties</i> | 53,777 | 55,533 | 52,460 |
| Financial receivables | 53,777 | 55,533 | 52,460 |
| - <i>subsidiaries</i> | 53,777 | 55,533 | 52,460 |
| Cash and cash equivalents | 75,674 | 11,741 | 27,896 |
| TOTAL CURRENT ASSETS - A | 129,451 | 67,274 | 80,356 |
| CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other financial institutions | (70,438) | (272,554) | (207,384) |
| <i>- of which payable to related parties</i> | (69,160) | (91,672) | (83,487) |
| - subsidiaries | (68,345) | (69,529) | (68,543) |
| - joint ventures | (801) | (2,749) | (1,438) |
| - other related parties | (14) | (19,394) | (13,506) |
| - Bank borrowings | (1,278) | (180,882) | (123,897) |
| TOTAL CURRENT LIABILITIES - B | (70,438) | (272,554) | (207,384) |
| NON-CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other financial institutions | (447,580) | (372,544) | (415,154) |
| <i>- of which payable to related parties</i> | (148,083) | (157,984) | (157,357) |
| - other related parties | - | (157,984) | (157,357) |
| - convertible loan (*) | (227,310) | - | - |
| - Bank borrowings | (220,270) | (214,560) | (257,797) |
| TOTAL NON-CURRENT LIABILITIES - C | (447,580) | (372,544) | (415,154) |
| NET FINANCIAL POSITION (**) D = (A+B+C) | (388,567) | (577,824) | (542,182) |

(*) The convertible loan (227,310 thousands euro included interests accrued in the first seven months of the year) is referred for 148,083 thousands euro to Pirelli & C. S.p.A..

(**) Pursuant to the 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 8.6 million euro (8 million euro in June 2013), today reduced to 7.7 million euro following the payment of 0.9 million euro in August.

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

Prelios S.p.A. past due **trade payables** total about 4.8 million euro (4,5 million euro in June 2013), now reduced to 4.3 million euro following the payment of 0.5 million euro in August.

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 subsidiaries¹, 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.

This press release reports the monthly disclosure updated with reference to the dealings with Other Related Parties, while data relating to the dealings with associated companies, joint ventures and other companies of Prelios Group, as well as Prelios S.p.A. subsidiaries, reported below are referred to last 30 June 2013. 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.

It should also be noted that Prelios Group consolidates (on a line-by-line basis or with the equity method) about 200 companies, 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.

¹ It should be noted that, also following to the renewal of Prelios S.p.A. Board of Directors on 8 May 2013, the Company decided to include – as in the past – Pirelli & C. S.p.A. (including its subsidiaries) among the Related Parties, considering the new ownership structures and relations which may derive from the completion of the extraordinary transaction disclosed to the market several times (aimed, as everybody knows, at pursuing the equity strengthening and financial reorganization through the Company recapitalisation and at the rebalancing of its financial structure) and which still need a specific valuation. Such decision has been actually made on a provisional basis and no specific analysis could be made for the time being; in any case this decision will be adequately reconsidered upon completion of the aforesaid transaction, possibly also with reference to other subjects involved therein.

Disclosed below are **Prelios Group dealings with Other Related Parties** (specifically Pirelli & C. S.p.A. and Pirelli Group) **at 31 July 2103 and compared to data at 30 June 2013**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

| | As from 01.01.2013 to 07.31.2013 | | As from 01.01.2013 to 06.30.2013 |
|--------------------|--|---|--|
| Operating revenues | 112 | They mainly include the recovery of costs related to some space in the Milan - HQ2 office. | 109 |
| Operating costs | (1,412) | 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.. | (1,201) |
| Financial expenses | (3,524) | These relate to the reversal of up-front commissions paid on the credit facility granted by Pirelli & C. S.p.A. and the interests accrued from 1st January 2013 to 31st July 2013 on the convertible loan granted by Pirelli & C. S.p.A.. The item also includes interests accrued on bridge loan granted by Fenice S.r.l. (indirectly related to the Group through the directors) successively converted in equity at 31st July 2013. At 30th June they included the interests accrued on the credit facility granted by Pirelli & C. S.p.A., cancelled with the debt rescheduling with effect starting from 1st January 2013. | (6,515) |

| | As at 07.31.2013 | | As at 06.30.2013 |
|---|------------------|--|------------------|
| Current trade receivables | 802 | These mainly refer to the recharge of costs related to certain land reclamation activities made by Lambda S.r.l. in an area in Milano Bicocca intended for a nursery school and for various services provided, included those related to some space in the Milan - HQ2 building. | 801 |
| Other current receivables | 756 | The item mainly includes a caution money paid to Pirelli & C. S.p.A. for the rent of the R&D building and the pre-paid expenses related to the quarter rental of the said building. | 482 |
| Current trade payables | (723) | These mainly refer to the payable to Pirelli & C. S.p.A. for the rent of R&D building and to Pirelli Tyre S.p.A. for the recharge of expenses related to R&D building as well as to the payables for health services provided by the company Poliambulatorio Bicocca S.r.l.. | (491) |
| Other current payables | (29) | | (99) |
| Non-current financial payables to other lenders | (148,083) | These refer to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from 1st January 2013 to 31st July 2013. At 30th June they referred to the short-term drawdown of the floating-rate credit facility granted by Pirelli & C. S.p.A.. | (157,984) |
| Current financial payables to other lenders | (14) | These refer to the interests accrued on bridge loan granted by Fenice S.r.l. successively converted in equity at 31st July 2013. At 30th June they referred to the interest matured on the floating-rate credit facility granted by Pirelli & C. S.p.A.. | (19,394) |

Thousands euro.

Disclosed below are **Prelios S.p.A. dealings with Other Related Parties** (specifically Pirelli & C. S.p.A. and Pirelli Group) **at 31 July 2013, compared to data at 30 June 2013**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

| | As from 01.01.2013 to 07.31.2013 | | As from 01.01.2013 to 06.30.2013 |
|---|--|---|--|
| Operating revenues | 92 | They include the recovery of costs related to some space in the Milan - HQ2 office. | 91 |
| Operating costs | (1,407) | 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.. | (1,205) |
| Financial expenses | (3,524) | These relate to the reversal of up-front commissions paid on the credit facility granted by Pirelli & C. S.p.A. and the interests accrued from 1st January 2013 to 31st July 2013 on the convertible loan granted by Pirelli & C. S.p.A.. The item also includes interests accrued on bridge loan granted by Fenice S.r.l. (indirectly related to the Group through the directors) successively converted in equity at 31st July 2013. At 30th June they included the interests accrued on the credit facility granted by Pirelli & C. S.p.A., cancelled with the debt rescheduling with effect starting from 1st January 2013. | (6,515) |
| | As at 07.31.2013 | | As at 06.30.2013 |
| Current trade receivables | 127 | These refer mainly to recharging of costs related to the Milan - HQ2 building. | 127 |
| Other current receivables | 756 | The item mainly includes a caution money paid to Pirelli & C. S.p.A. for the rent of the R&D building and the pre-paid expenses related to the quarter rental of the said building. | 482 |
| Current trade payables | (723) | These mainly refer to the payable to Pirelli & C. S.p.A. for the rent of R&D building and to Pirelli Tyre S.p.A. for the recharge of expenses related to R&D building as well as to the payables for health services provided by the company Poliambulatorio Bicocca S.r.l.. | (491) |
| Other current payables | - | | (43) |
| Non-current financial payables to other lenders | (148,083) | These refer to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from 1st January 2013 to 31st July 2013. At 30th June they referred to the short-term drawdown of the floating-rate credit facility granted by Pirelli & C. S.p.A.. | (157,984) |
| Current financial payables to other lenders | (14) | These refer to the interests accrued on bridge loan granted by Fenice S.r.l. successively converted in equity at 31st July 2013. At 30th June they referred to the interest matured on the floating-rate credit facility granted by Pirelli & C. S.p.A.. | (19,394) |

Thousands euro.

Disclosed below are **Prelios Group dealings with associated companies, joint ventures and other companies at 30 June 2013. The income statement data are compared with the first semester 2012, while balance sheet data are compared with data at 31 March 2013**, for which – as above indicated – only a quarterly update is provided:

| | As from 01.01.2013 to 06.30.2013 | | As from 01.01.2012 to 06.30.2012 |
|-----------------------------|--|--|--|
| Operating revenues | 27,426 | These refer to contracts with Group companies for fund and asset management services (real estate and non performing loans) and technical and commercial services. | 36,326 |
| Operating costs | (306) | These refer to recharges of various kinds. | (2,629) |
| Net income from investments | (30,638) | This item mainly consists of the results of these investments valued using the equity method, as well as value adjustments made to some investments held by the Group. | (83,457) |
| Financial income | 6,044 | This mostly refers to interest earned on financial receivables held by Group companies. | 6,464 |
| Financial expenses | (607) | This item is in large part attributable to the effects of "discounting" of receivables from Group companies not fully consolidated. | (3,436) |

| | As at 06.30.2013 | | As at 03.31.2013 |
|--|------------------|---|------------------|
| Current trade receivables | 34,755 | This balance includes the receivables relating to "operating revenues". | 42,109 |
| Other non-current receivables | 203,192 | | 212,948 |
| - of which financial receivables | 203,182 | This reflects the loans given to finance real estate projects being managed by individual Group companies. These loans are classified as non-current assets by virtue of their terms of repayment, which match the medium-term disposal programmes of the real estate portfolios owned directly or indirectly by these companies. These loans carry interest rates that are in line with those applied by the principal market participants except for some companies which have been given non-interest bearing loans. | 212,938 |
| Other current receivables | 6,146 | This includes dividends that have been declared but not yet paid and other receivables | 6,270 |
| - of which financial receivables | 176 | | 176 |
| Current trade payables | (3,607) | They refer to recharges of various types, mainly traceable to rent and urbanization charges and accessory costs. | (3,562) |
| Other current payables | (20,692) | These refer to different kinds of recharge. | (20,668) |
| Current tax payables | (1,324) | This amount mainly relates to amounts owing to Trixia S.r.l. under 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. | (1,324) |
| Non-current bank borrowings and payables to other financial institutions | - | | (46) |
| Current bank borrowings and payables to other financial institutions | (4,997) | These include negative balances on intercompany current accounts and other financial payables of the parent company related to an obligation to subscribe, through the companies Afrodite S.à.r.l. and Artemide S.à.r.l., units in the Fondo Residenziale Diomira and of the subsidiary Prelios Netherlands B.V. to subscribe units in the Fondo Vivaldi. | (5,355) |
| Provisions for future risks and expenses | (3,413) | This refers to the provision for making good the losses of associates and joint ventures in excess of their carrying amounts. | (2,725) |

Thousands euro.

Disclosed below are **Prelios S.p.A. dealings with subsidiaries and associated companies at 30 June 2013**. The income statement data are compared with the first semester 2012, while balance sheet data are compared with data at 31 March 2013, for which – as above indicated – only a quarterly update is provided:

| | As from 01.01.2013 to 06.30.2013 | | As from 01.01.2012 to 06.30.2012 |
|-----------------------------|--|---|--|
| Operating revenues | 6,088 | These include mainly fees for general services, and the recovery of costs for office rental and trade mark. | 7,363 |
| Operating costs | (1,186) | These relate mainly to costs for administrative services provided by the subsidiary Sare S.p.A. and to costs for technical assistance provided by Prelios Property & Project Management S.p.A.; they also include costs for the re-charge of the asset management fees to Prelios Credit Servicing S.p.A., to Prelios Property & Project Management S.p.A and to Prelios Agency S.p.A.. | (1,246) |
| Net income from investments | - | As at June 30th, 2012, these referred to dividends approved in favour of Prelios S.p.A. by subsidiaries and associates. | 12,361 |
| Financial income | 6,033 | These refer mainly to interest income accrued on intra-group current accounts and on loans granted to investee companies. | 5,970 |
| Financial expenses | (621) | These include interest expenses accrued on intra-group current accounts, and on the loan in Polish currency from the subsidiary Prelios Polska Sp.z.o.o.. | (1,072) |
| Income taxes | 938 | These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation. | 1,980 |

| | As at 06.30.2013 | | As at 03.31.2013 |
|-----------------------------------|------------------|---|------------------|
| Current trade receivables | 9,369 | These include mainly fees for services provided to the subsidiaries by the Prelios S.p.A. central structures, and the recharging of costs for the Milan and Rome offices and for the trade mark. | 8,609 |
| Other non-current receivables | 166,765 | The item refers to the balances at June 30th, 2013 of loans granted to investee companies. | 164,868 |
| - of which financial receivables | 166,765 | | 164,868 |
| Other current receivables | 55,852 | These include mainly the positive balances of intra-group current accounts in being between Prelios S.p.A. and its investee companies (financial receivables), and the receivables for VAT from subsidiaries that have elected to be consolidated for VAT purposes. | 55,685 |
| - of which financial receivables | 55,533 | | 55,306 |
| Current tax receivables | 4,169 | These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation. | 3,316 |
| Current trade payables | (2,379) | 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. | (2,761) |
| Other current payables | (8,071) | They include 7,254 thousand euro of payables to the subsidiary Edilnord Gestioni S.r.l. (in liquidation), and the payable for VAT to subsidiaries that have elected to be consolidated for VAT purposes. | (8,051) |
| Current tax payables | (1,747) | These refer to payables to subsidiaries that have elected to be consolidated for a group taxation. | (1,932) |
| Current payables to other lenders | (69,529) | These refer to negative balances on inter-company current accounts between Prelios S.p.A. and its investee companies (of 66,372 thousand euro), and, for 3,157 thousand euro, to the balance at June 30th, 2013 of the foreign currency loan obtained from the subsidiary Prelios Polska Sp.z.o.o.. | (68,425) |

Thousands euro.

Disclosed below are **Prelios S.p.A. dealings with joint ventures and other associated companies at 30 June 2013. The income statement data are compared with the first semester 2012, while balance sheet data are compared with data at 31 March 2013**, for which – as above indicated – only a quarterly update is provided:

| | As from 01.01.2013 to 06.30.2013 | | As from 01.01.2012 to 06.30.2012 |
|--------------------|--|--|--|
| Operating revenues | 1,228 | These refer mainly to revenues for asset management fees, including NPL asset management fees which are all re-charged to the subsidiary Prelios Credit Servicing S.p.A.. | 706 |
| Operating costs | (31) | These relate to the retrocession to Cloe Fund of the incentives for the photovoltaic system of the HQ2 office, collected by Prelios S.p.A.. As at June 30th, 2012 these mainly referred to rental fees for head quarter in Milan, held by Fondo Cloe, mostly re-charged to subsidiaries with sublease contracts. | (2,233) |
| Financial income | 3,979 | These refer essentially to interest income accrued on loans granted to investee companies. | 3,955 |
| Financial expenses | (239) | These refer mostly to financial expenses for the net present value effect of some trade receivables from joint ventures, and to the interests accrued towards on the payable to Espelha - Serviços de Consultadoria LdA for the purchase of Class C junior notes. | (374) |

| | As at 06.30.2013 | | As at 03.31.2013 |
|-----------------------------------|------------------|---|------------------|
| Current trade receivables | 4,960 | These relate mainly to receivables for asset management fees. | 6,218 |
| Other non-current receivables | 96,980 | These refer to balances at June 30th, 2013 of loans granted to investee companies. | 96,372 |
| - of which financial receivables | 96,980 | | 96,372 |
| Other current receivables | 3,283 | These include receivables for dividends approved, but not yet collected and other receivables. | 3,308 |
| Current trade payables | (361) | These include the payables to Fondo Cloe for renting the HQ2 building and the payable to Tiglio II S.r.l. related to certain costs recharged during the previous years. | (409) |
| Other current payables | (7,068) | These include mainly payables to joint ventures of the DGAG group for costs recharged to Prelios S.p.A.; they also include for 2,046 thousand euro the payable to Espelha - Serviços de Consultadoria L.d.A. related to the purchase of Class C junior notes. | (7,038) |
| Current tax payables | (1,080) | These refer to payables for tax transparency to the joint venture Trixia S.r.l.. | (1,080) |
| Current payables to other lenders | (2,749) | These refer to the balance of the inter-company current account with Jamesmail B.V. and other financial payables related to an obligation to subscribe, through the companies Afrodite S.à.r.l. and Artemide S.à.r.l., units in the Fondo Residenziale Diomira. | (2,306) |

Thousands euro.

The Financial Reporting Officer of Prelios S.p.A., Mr. Angelo Cattaneo, 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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