

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

Milan, 29 November 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 October 2013.

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

Prelios Group Net Financial Position at 31 October 2013 is negative for 359.1 million euro, compared to -358.1 million euro at September 2013.

Prelios S.p.A. Net Financial Position at 31 October 2013 is negative for 377.2 million euro, compared to -374.8 million euro at September 2013.

Details are provided in the table below.

Prelios Group Net Financial Position

(thousands euro)

	10.31.2013	09.30.2013	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	111,898	111,366	45,090
TOTAL CURRENT ASSETS - A	112,074	111,542	45,266
CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(6,605)	(6,274)	(144,739)
<i>- of which payable to related parties</i>	(2,650)	(2,650)	(17,993)
- joint ventures and other Prelios Group companies	(2,650)	(2,650)	(4,487)
- other related parties	-	-	(13,506)
- Other financial payables	(1,349)	(1,190)	(2,057)
- Bank borrowings	(2,508)	(2,336)	(124,591)
- Payables to other financial institutions	(98)	(98)	(98)
TOTAL CURRENT LIABILITIES - B	(6,605)	(6,274)	(144,739)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(464,597)	(463,397)	(420,993)
<i>- of which payable to related parties</i>	(149,625)	(149,497)	(157,389)
- joint ventures and other Prelios Group companies	-	-	(32)
- other related parties	-	-	(157,357)
- convertible loan (*)	(235,506)	(235,305)	-
- other financial debts	(622)	(621)	(627)
- Payables to other financial institutions	(228,469)	(227,471)	(262,977)
TOTAL NON-CURRENT LIABILITIES - C	(464,597)	(463,397)	(420,993)
NET DEBT EXCL. SHAREHOLDER LOANS GRANTED (**) = D	(359,128)	(358,129)	(520,466)

(*) The convertible loan (235,506 thousands euro included interests accrued in the first ten months of the year) is referred for 149,625 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)

	10.31.2013	09.30.2013	12.31.2012
CURRENT ASSETS			
Other receivables	51,461	51,733	52,460
<i>- of which receivable from related parties</i>	<i>51,461</i>	<i>51,733</i>	<i>52,460</i>
Financial receivables	51,461	51,733	52,460
- subsidiaries	51,461	51,733	52,460
Cash and cash equivalents	98,706	99,312	27,896
TOTAL CURRENT ASSETS - A	150,167	151,045	80,356
CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(67,816)	(67,504)	(207,384)
<i>- of which payable to related parties</i>	<i>(66,027)</i>	<i>(65,887)</i>	<i>(83,487)</i>
- subsidiaries	(65,226)	(65,086)	(68,543)
- joint ventures	(801)	(801)	(1,438)
- other related parties	-	-	(13,506)
- Bank borrowings	(1,789)	(1,617)	(123,897)
TOTAL CURRENT LIABILITIES - B	(67,816)	(67,504)	(207,384)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other financial institutions	(459,530)	(458,337)	(415,154)
<i>- of which payable to related parties</i>	<i>(149,625)</i>	<i>(149,497)</i>	<i>(157,357)</i>
- other related parties	-	-	(157,357)
- convertible loan (*)	(235,506)	(235,305)	-
- Bank borrowings	(224,024)	(223,032)	(257,797)
TOTAL NON-CURRENT LIABILITIES - C	(459,530)	(458,337)	(415,154)
NET FINANCIAL POSITION (**) D = (A+B+C)	(377,179)	(374,796)	(542,182)

(*) The convertible loan (235,506 thousands euro included interests accrued in the first ten months of the year) is referred for 149,625 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 11.7 million euro (11.7 million euro as in September 2013), today reduced to 7.8 million euro following the payment of 3.9 million euro in November.

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 6.8 million euro (7.1 million euro in September 2013), today reduced to 4.4 million euro following the payment of 2.4 million euro in November.

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 subsidiaries, 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.

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.

The preliminary disclosure concerning the dealings with associated companies, joint ventures and other companies of Prelios Group as well as Prelios S.p.A. subsidiaries, that is reported below, is relating to September 2013, and is compared with the data that refer 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.

Disclosed below are **Prelios Group dealings with Other Related Parties** (specifically Pirelli & C. S.p.A., its subsidiaries and other associated companies through directors) **at 31 October 2103, compared with data at 30 September 2013**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	As from 01.01.2013 to 10.31.2013		As from 01.01.2013 to 09.30.2013
Operating revenues	141	They mainly include the recovery of costs related to some space in the Milan - HQ2 office.	128
Operating costs	(2,029)	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..	(1,818)
Financial expenses	(3,910)	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 October 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.	(3,782)

	As at 10.31.2013		As at 09.30.2013
Current trade receivables	157	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.	186
Other current receivables	1,994	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.	1,306
Current trade payables	(451)	These mainly refer to the payable 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..	(365)
Non-current financial payables to other lenders	(149,625)	These refer to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from 1st January 2013 to 31st October 2013.	(149,497)

Thousands euro.

Disclosed below are **Prelios S.p.A. dealings with Other Related Parties** (specifically Pirelli & C. S.p.A., its subsidiaries and other associated companies through directors) **at 31 October 2013, compared with data at 30 September 2013**, essentially including financial debts and correlated financial charges, for which a monthly update is provided:

	As from 01.01.2013 to 10.31.2013		As from 01.01.2013 to 09.30.2013
Operating revenues	102	They include the recovery of costs related to some space in the Milan - HQ2 office.	103
Operating costs	(2,024)	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..	(1,823)
Financial expenses	(3,910)	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 October 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.	(3,782)

	As at 10.31.2013		As at 09.30.2013
Current trade receivables	130	These refer mainly to recharging of costs related to the Milan - HQ2 building.	140
Other current receivables	1,994	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.	(1,306)
Current trade payables	(451)	These mainly refer to the payable 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..	(365)
Non-current financial payables to other lenders	(149,625)	These refer to the convertible loan granted by Pirelli & C. S.p.A. and the related interests accrued from 1st January 2013 to 31st October 2013.	(149,497)

Thousands euro.

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

	As from 01.01.2013 to 09.30.2013		As from 01.01.2012 to 09.30.2012
Operating revenues	40,875	These refer to contracts with Group companies for fund and asset management services (real estate and non performing loans) and technical and commercial services.	52,703
Operating costs	(411)	These refer to recharges of various kinds.	(3,985)
Net income from investments	(38,304)	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.	(105,147)
Financial income	9,205	This mostly refers to interest earned on financial receivables held by Group companies.	10,173
Financial expenses	(735)	This item is in large part attributable to the effects of "discounting" of receivables from Group companies not fully consolidated.	(3,453)

	As at 09.30.2013		As at 06.30.2013
Current trade receivables	37,949	This balance includes the receivables relating to "operating revenues".	34,755
Other non-current receivables	203,641		203,192
- of which financial receivables	203,631	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.	203,182
Other current receivables	6,889	This includes dividends that have been declared but not yet paid and other receivables	6,146
- of which financial receivables	176		176
Current trade payables	(3,384)	They refer to recharges of various types, mainly traceable to rent and urbanization charges and accessory costs.	(3,607)
Other current payables	(20,727)	These refer to different kinds of recharge.	(20,692)
Current tax payables	(1,080)	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)
Current bank borrowings and payables to other financial institutions	(2,650)	These include negative balances on intercompany current accounts and other financial payables of the subsidiary Prelios Netherlands B.V. to subscribe units in the Fondo Vivaldi. As at 30th June these included also 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.	(4,997)
Provisions for future risks and expenses	(2,102)	This refers to the provision for making good the losses of associates and joint ventures in excess of their carrying amounts.	(3,413)

Thousands euro.

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

	As from 01.01.2013 to 09.30.2013		As from 01.01.2012 to 09.30.2012
Operating revenues	8,047	These include mainly fees for general services, and the recovery of costs for office rental and trade mark.	10,846
Operating costs	(1,791)	These relate mainly to costs for general services provided by the subsidiary Sare S.p.A. and to costs for technical assistance provided by Prelios Integra S.p.A.; they also include costs for the re-charge of the asset management fees to Prelios Agency S.p.A., Prelios Credit Servicing S.p.A. e Prelios Integra S.p.A..	(1,641)
Net income from investments	-	As at September 30th, 2012, these referred to dividends approved in favour of Prelios S.p.A. by subsidiaries and associates.	21,133
Financial income	7,683	These refer mainly to interest income accrued on intra-group current accounts and on loans granted to investee companies; they include also the recharge of guarantee costs paid in the interest of subsidiaries.	8,864
Financial expenses	(637)	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..	(1,535)
Income taxes	1,605	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	2,708

	As at 09.30.2013		As at 06.30.2013
Current trade receivables	10,659	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.	9,369
Other non-current receivables	169,115	The item refers to the balances at September 30th, 2013 of loans granted to investee companies.	166,765
- of which financial receivables	169,115		166,765
Other current receivables	52,205	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.	55,852
- of which financial receivables	51,733		55,533
Current tax receivables	5,986	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	4,169
Current trade payables	(2,823)	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.	(2,379)
Other current payables	(8,044)	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.	(8,071)
Current tax payables	(1,737)	These refer to payables to subsidiaries that have elected to be consolidated for a group taxation.	(1,747)
Current payables to other lenders	(65,086)	These refer to negative balances on inter-company current accounts between Prelios S.p.A. and its investee companies (of 62,148 thousand euro), and, for 2,938 thousand euro, to the balance at September 30th, 2013 of the foreign currency loan obtained from the subsidiary Prelios Polska Sp.z.o.o..	(69,529)

Thousands euro.

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

	As from 01.01.2013 to 09.30.2013		As from 01.01.2012 to 09.30.2012
Operating revenues	1,471	These refer mainly to revenues for asset management fees, including fees re-charged to the subsidiaries Prelios Agency S.p.A., Prelios Credit Servicing S.p.A. e Prelios Integra S.p.A..	893
Operating costs	(32)	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 September 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.	(3,339)
Financial income	5,959	These refer essentially to interest income accrued on loans granted to investee companies.	6,578
Financial expenses	(278)	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.	(491)

	As at 09.30.2013		As at 06.30.2013
Current trade receivables	5,110	These relate mainly to receivables for asset management fees.	4,960
Other non-current receivables	97,858	These refer to balances at September 30th, 2013 of loans granted to investee companies.	96,980
- of which financial receivables	97,858		96,980
Other current receivables	3,302	These include receivables for dividends approved, but not yet collected and other receivables.	3,283
Current trade payables	(216)	These refer the payables to Fondo Cloe for renting the HQ2 building.	(361)
Other current payables	(7,098)	These include mainly payables to joint ventures of the DGAG group for costs recharged to Prelios S.p.A.; they also include for 2,076 thousand euro the payable to Espelha - Serviços de Consultadoria L.d.A. related to the purchase of Class C junior notes.	(7,068)
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	(801)	These refer to the balance at September 30th, 2013 of the inter-company current account with Jamesmail B.V.; at June 30th they included 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.	(2,749)

Thousands euro.

The Financial Reporting Officer of Prelios S.p.A., Mrs Elena Capra, 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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