

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

Milan, December 22nd, 2017 – In compliance with the request sent by Consob on September 13th, 2012 and pursuant to section 114, paragraph 5 of Legislative Decree 58/1998, the following information, as of November 30th, 2017, regarding Prelios S.p.A. and the Group it controls, is set out below.

1) Net Financial Position, with separate indication of the short-term and medium/long-term components.

The **Net Financial Position** of the **Prelios Group** as at November 30th, 2017 is -3.5 million euro, against -2.1 million euro as at October 31st, 2017.

The **Net Financial Position** of **Prelios S.p.A.** as at November 30th, 2017 is -61.9 million euro, against -62.9 million euro as at October 31st, 2017.

Details are set out below.

The Net Financial Position of the Prelios Group

(thousands euro)

	11.30.2017	10.31.2017	12.31.2016
CURRENT ASSETS			
Other receivables	4,892	4,892	4,892
- of which receivable from related parties	4,892	4,892	4,892
Financial receivables	4,892	4,892	4,892
- Prelios Group companies	4,892	4,892	4,892
Cash and cash equivalents	28,399	29,718	23,630
TOTAL CURRENT ASSETS - A	33,291	34,610	28,522
CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(17,412)	(17,373)	(11,101)
- of which payable to related parties	(5,539)	(5,536)	(4,892)
- Prelios Group companies	(5,539)	(5,537)	(4,892)
- Other financial payables	(10,819)	(10,890)	(5,783)
- Bank borrowings	(1,054)	(946)	(426)
TOTAL CURRENT LIABILITIES - B	(17,412)	(17,373)	(11,101)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(19,347)	(19,367)	(23,914)
- of which payable to related parties	-	-	(630)
- Prelios Group companies	-	-	(630)
- Bank borrowings	(19,319)	(19,339)	(17,881)
- Other financial payables	(28)	(28)	(5,403)
TOTAL NON-CURRENT LIABILITIES - C	(19,347)	(19,367)	(23,914)
NET FINANCIAL POSITION EXCL. SHAREHOLDER LOANS GRANTED (*) = D = (A+B+C)	(3,468)	(2,130)	(6,493)

(*) Pursuant to 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").

The **Net Financial Position** of the **Group** generally changes for variations in working capital.

Specifically, the Net Financial Position of the Group shows increased debt of about 1.3 million euro compared to the previous month. The negative variation in November is due to the invoicing cycle without significant fees during the month against a normal month for payments.

Net Financial Position of Prelios S.p.A.

(thousands euro)

	11.30.2017	10.31.2017	12.31.2016
CURRENT ASSETS			
Other receivables	6,911	6,305	8,966
- of which receivable from related parties	6,911	6,305	8,966
Financial receivables	6,911	6,305	8,966
- subsidiaries	2,019	1,413	4,074
- associates and joint ventures	4,892	4,892	4,892
Cash and cash equivalents	15,588	17,214	9,334
TOTAL CURRENT ASSETS - A	22,499	23,519	18,300
CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(66,160)	(68,207)	(35,898)
- of which payable to related parties	(55,632)	(57,502)	(30,102)
- subsidiaries	(50,093)	(51,965)	(25,210)
- associates and joint ventures	(5,539)	(5,537)	(4,892)
- Bank borrowings	(267)	(217)	(426)
- Other financial payables	(10,261)	(10,488)	(5,370)
TOTAL CURRENT LIABILITIES - B	(66,160)	(68,207)	(35,898)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(18,262)	(18,227)	(23,880)
- of which payable to related parties	-	-	(630)
- associates and joint ventures	-	-	(630)
- Bank borrowings	(18,262)	(18,227)	(17,881)
- Other financial payables	-	-	(5,369)
TOTAL NON-CURRENT LIABILITIES - C	(18,262)	(18,227)	(23,880)
NET FINANCIAL POSITION EXCL. SHAREHOLDER LOANS GRANTED (*) D = (A+B+C)	(61,923)	(62,915)	(41,478)

(*) Pursuant to 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").

The trend in the Net Financial Position of the Parent Company shows financial payables and receivables to and from subsidiaries, offset at the Group level.

2) Payables past due, broken down by type (financial, trade, tax, social security payables and payables to employees) and any action taken by creditors (payment reminders, payment orders, suspended supplies etc.):

Prelios Group past due trade payables amount to 7.8 million euro as at November 30th, 2017 (8.5 million euro as at October 31st, 2017), at the present date reduced to 2.9 million euro after payment of 4.9 million euro in December.

This situation is due to normal trade relations with Prelios Group suppliers.

Prelios S.p.A. past due trade payables amount to 1.6 million euro as at November 30th, 2017 (1.9 million euro as at October 31st, 2017), now reduced to 0.7 million euro after payment of 0.9 million euro in December.

In relation to the above, there are no ongoing disputes or lawsuits, and no supplies have been suspended. Payment reminders are in line with ordinary practice.

There are no amounts past due for financial, tax or social security payables or payables to employees.

3) Relations of the Prelios Group and Prelios S.p.A. with Related Parties:

Relations with related parties, with regard to the subsidiaries, joint ventures and associated companies of Prelios S.p.A. ("Intra-group"), refer to normal trade and financial relations at market conditions. There have been no atypical or unusual transactions.

It should be noted that, after the well-known extraordinary transaction entailing the spin-off of business assets relating to property investments and co-investments from assets under alternative asset management and for real estate services, the equity method – with unaltered values – is used for the valuation of associated company Focus Investments S.p.A (the beneficiary of the spin-off), details of which are set out under the heading "Net income from investments".

As previously detailed, following the above transaction and the consequent variation in the shareholding structure and proprietary assets, the Company reviewed the values for the scope of what are considered "related" parties and concluded that Pirelli & C. S.p.A. ("Pirelli") should no longer be considered a related party, and confirmed that there is no relation with Intesa San Paolo S.p.A. ("Intesa") and UniCredit S.p.A. ("UniCredit").

Nonetheless, the Company decided – voluntarily – to adopt *ad hoc* regulations governing specific transactions with Intesa, UniCredit and Pirelli (hereafter "Significant Shareholders"), as published on the Company website, together with the Procedure for Transactions with Related Parties, adopted by Prelios.

Information regarding relations with associated companies, joint ventures and other companies in the Prelios Group, as well as the subsidiaries of Prelios S.p.A., are shown below for September 2017 and set out against data as at June 30th, 2017 for balance sheet items, and against data as at September 30th, 2016 for economic items. For these data an update can only be provided on a quarterly basis.

Hence, below are set out ***Prelios Group relations with associated companies, joint ventures and other companies as at September 30th, 2017:***

	from 01.01.2017 to 09.30.2017		from 01.01.2016 to 09.30.2016
Operating revenue	11,461	The item refers to Group company mandates for alternative asset management and real estate services.	13,184
Operating costs	(1,343)	These include Euro 850 thousand for an indemnity payable to the associated company Focus Investments S.p.A., and the cost charged by the same company for the management of the investments excluded from the Investments Business Unit. The item includes also rental fee and expenses for the offices in Rome - Via Colombo, charged by Fondo Cloe, owner of the building until March 31, 2017.	(942)
Net income from investments	(23,727)	The item mainly refers to the equity method valuation of Group investments.	(13,429)
Financial income	594	These refer essentially to interest income accrued on loans granted to investee companies.	816
Financial expenses	(55)		(208)
	As at 09.30.2017		As at 06.30.2017
Current trade receivables	12,157	This balance includes receivables arising from "operating revenue".	12,813
Other non-current receivables	16		16
- of which financial receivables	16		16
Other current receivables	4,971	This item includes Euro 4,892 thousand for financial receivables recognized to Focus Investment S.p.A. against a debt of the same amount towards the joint venture Aree Urbane S.r.l. (in liquidation).	4,971
- of which financial receivables	4,892		4,892
Current trade payables	(1,306)	They refer to recharges of various kinds, mainly related to rents and expenses. The item includes payables to the associate company Focus Investments S.p.A. for the management of the investments excluded from the Investments Business Unit.	(1,296)
Other non current payables	(415)	These refer to part of the said indemnity payable to Focus Investments S.p.A..	-
Other current payables	(3,876)	They mainly include payables to the company Focus Investments International B.V. for the obligation assumed by Prelios S.p.A. to pay the purchaser of Cloe Fund shares and part of the said indemnity payable to Focus Investments S.p.A..	(3,565)
Current bank borrowings and payables to other lenders	(5,536)	They refer to Euro 4,892 thousand for financial debt include financial payables for capital contributions to be paid to the company Aree Urbane S.r.l. (in liquidation), as well as to Euro 639 thousand for financial debt against Lambda S.r.l, refundable at June 30, 2018.	(5,531)

Thousands euro.

Below are set out ***Prelios S.p.A. relations with subsidiaries as at September 30th, 2017:***

	from 01.01.2017 to 09.30.2017		from 01.01.2016 to 09.30.2016
Operating revenue	4,021	These include mainly fees for general services, and the recovery of costs for office rental, trade mark and other costs.	4,551
Operating costs	(895)	These relate mainly to costs for general services provided by the subsidiary Sare S.p.A. and to costs for technical assistance provided by other subsidiaries; they include also some costs recharged to Prelios S.p.A. by the subsidiaries.	(1,204)
Net income from investments	1,418	This item includes the dividends distributed by the subsidiary Prelios SGR S.p.A..	15,345
Financial income	708	These refer mainly to interest income accrued on the loan granted to Prelios Deutschland GmbH and on intra-group current accounts; they include also the recharge of guarantee costs paid in the interest of subsidiaries.	668
Financial expenses	(333)	These include interests charged on the intercompany current accounts and on the loan received from the subsidiary Prelios Polska Sp.z.o.o. in Polish currency.	(312)
Income taxes	1,367	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	1,127

	As at 09.30.2017		As at 06.30.2017
Current trade receivables	4,982	These include mainly fees for services provided to the subsidiaries by Prelios S.p.A., and the recharging of costs for the trade mark, for the offices and other costs.	4,663
Other non-current receivables	11,260	The item refers to the balance of the loan granted to the subsidiary Prelios Deutschland GmbH as at September 30, 2017, and to a non-current receivable from the same company.	11,064
- of which financial receivables	8,102		7,906
Other current receivables	1,903	These include mainly the positive balances of the intercompany current accounts between Prelios S.p.A. and its investee companies (financial receivables), and VAT receivables from subsidiaries that have elected to be consolidated for VAT purposes.	2,549
- of which financial receivables	1,356		1,919
Current tax receivables	2,981	These refer mainly to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a Group taxation.	2,441
Current trade payables	(1,752)	These refer mainly to payables to subsidiaries for services rendered and costs recharged.	(1,856)
Other current payables	(9,003)	These include, for the amount of 9,000 thousand euro, the payable to Prelios Agency S.p.A. for the price not yet paid related to the acquisition of the participation in Prelios Valuations & e-Services S.p.A.; they include also VAT payables to subsidiaries that have elected to be consolidated for VAT purposes.	(18,117)
Current tax payables	(483)	These refer to payables to subsidiaries that have elected to be consolidated for a group taxation.	(401)
Current bank borrowings and payables to other lenders	(46,408)	These refer to negative balances of the intercompany current accounts between Prelios S.p.A. and its investee companies, and, for Euro 1,714 thousand, to the balance at September 30, 2017 of the foreign currency loan received from the subsidiary Prelios Polska Sp.z.o.o..	(34,827)

Thousands euro.

Below are set out **Prelios S.p.A. relations with associated companies, joint ventures and investee companies, as at September 30th, 2017:**

	from 01.01.2017 to 09.30.2017		from 01.01.2016 to 09.30.2016
Operating revenue	146	These refer mainly to revenues for services and cost recharges to the company Focus Investment S.p.A..	302
Operating costs	(1,034)	These include Euro 850 thousand for an indemnity payable to the associated company Focus Investments S.p.A., and the cost charged by the same company for the management of the investments excluded from the Investments Business Unit. The item includes also rental fee and expenses for the offices in Rome - Via Colombo, charged by Fondo Cloe, owner of the building until March 31, 2017.	(591)
Financial income	561	These refer essentially to interest income accrued on loans granted to investee companies.	811
Financial expenses	(14)	These refer to the interests accrued on the financial debt with Lambda S.r.l.. At September 30, 2016 they included also the financial expenses for the net present value effect of a non-financial payable to the associate Focus Investments International B.V..	(124)

	As at 09.30.2017		As at 06.30.2017
Current trade receivables	22	These include receivables towards Focus Investments S.p.A. for cost recharges.	25
Other non-current receivables	16	This refers to loans granted to investee companies. The amount refers to the balance at September 30, 2017 of the shareholders' loan granted to the company IN Holdings I S.à.r.l..	16
- of which financial receivables	16		16
Other current receivables	4,969	This item includes Euro 4,892 thousand for financial receivables recognized to Focus Investment S.p.A. against a debt of the same amount towards the <i>joint venture</i> Aree Urbane S.r.l. (in liquidation).	4,969
- of which financial receivables	4,892		4,892
Current trade payables	(414)	These refer to the payables to the associated company Focus Investments S.p.A. for the management of the investments excluded from the Investments Business Unit.	(403)
Other non-current payables	(415)	These refer to part of the said indemnity payable to Focus Investments S.p.A..	-
Other current payables	(3,631)	They mainly include payables to the company Focus Investments International B.V. for the obligation assumed by Prelios S.p.A. to pay the purchaser of Cloe Fund shares and part of the said indemnity payable to Focus Investments S.p.A..	(3,255)
Current bank borrowings and payables to other lenders	(5,536)	These include financial payables for capital contributions to be paid to the company Aree Urbane S.r.l. (in liquidation) and a financial payable towards the company Lambda S.r.l., that is to be repaid on June 30, 2018.	(5,531)

Thousands euro.

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The Manager charged with preparing the financial documents of Prelios S.p.A., Sergio Cavallino, declares – pursuant to section 154-bis, paragraph 2 of the Consolidated Law on Finance (Legislative Decree 58/1998) – that the accounting information contained in this press release corresponds to documents, books and accounting records of the Company.

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