



PRELIOS S.p.A. 1H 2014 Results

30th July 2014



Highlights

- **The Results of the 1H 2014 are in line with expectations and improving against the same period of 2013.**
- Revenues of the service platform registered an increase of 6% compared to restated data of the same period of last year.
- Management Platform EBIT (excluding G&A) more than tripled to 6 mln euro in the 1H 2014 compared to the 1H 2013.
- The *return on sales* (ROS, EBIT/Sales Ratio) of the management platform¹⁾ has improved, reaching about 17% versus 4.8% of 1H 2013.
- Persistent focus on holding cost control
- Financially, the main differences against December 2013 concern real estate write-downs and to the completion of the preliminary deeds of transfer (in particular, units held in Olinda Fund)
- The plan for the disposal of co-investment assets continues: in the first semester properties have been disposed for 312.1mln Euro of which 83.6mln Euro on a pro rata basis for Prelios, real estate transactions were made at values substantially in line with book value.
- Net financial position at 183.8 mln Euro, remarkably improving versus 388.4mln euro at 31 December 2013.

¹⁾ Value not including holding/G&A costs.

Group Results

(€/mln)

	ACTUAL 1H 2014 DISCONTINUED	ACTUAL 1H 2013 DISCONTINUED	DELTA
Revenues Mgmt Platform	34,9	32,8	6%
Revenues investment	0,3	2,8	-91%
TOT Revenues	35,2	35,6	-1%
EBIT Mgmt Platform & Holding	-0,2	-4,3	96%
<i>o/w management platform</i>	6,0	1,6	281%
<i>o/w Holding</i>	-6,2	-5,9	-6%
EBIT investment	-5,4	-3,6	-51%
TOT EBIT	-5,6	-7,9	29%
Extraordinary Items (1)	-23,7	-34,3	<i>n.a.</i>
TOT EBIT post Extraordinary Items	-29,3	-42,2	31%
Discontinued operation	4,9	2,5	96%
Net income	-37,6	-64,0	41%
Net Equity	133,3	21,7	
Net Financial Position	183,8	562,3	

1) Actual 1H 2014 value includes -21.2 mln of real estate writedowns and revaluations, -1.8 mln of restructuring costs and one off items and -0.7 mln of NPLs impairment.

Consolidated Profit and Loss

(€/mln)	ACTUAL 1H 2014 DISCONTINUED	ACTUAL 1H 2013 DISCONTINUED
Revenues	35,2	35,6
<i>of which service activities</i>	34,9	32,8
<i>of which other revenues</i>	0,3	2,8
EBIT services	(0,2)	(4,3)
Income from equity participations services		
Management platform/G&A	(0,2)	(4,3)
EBIT consolidated investment activities	(4,2)	(3,8)
Income from equity participations	(4,3)	(4,1)
Interest income from participations	3,1	4,3
Investments	(5,4)	(3,6)
EBIT	(5,6)	(7,9)
Financial charges	(10,9)	(21,4)
<i>of which:</i>		
<i>Financial expenses</i>	(4,6)	(18,2)
<i>Implicit financial expenses</i>	(6,0)	
<i>Upfront fees (on existing financing)</i>		(2,4)
<i>Other</i>	(0,3)	(0,8)
Profit before restr. costs, writedown/ reval. & taxes	(16,5)	(29,3)
Restructuring costs	(1,8)	(5,3)
Property writedowns/revaluations	(21,2)	(25,6)
Impairment test	(0,7)	(3,3)
Profit before taxes	(40,2)	(63,6)
Income taxes	(3,0)	(3,3)
Net income before discontinued operations	(43,2)	(66,9)
Discontinued operations	4,9	2,5
Net income	(38,2)	(64,4)
Minority interests	0,7	0,4
Net income after minority interests	(37,6)	(64,0)

Management Platform: Revenues and Ebit

(€/mln)

ACTUAL 1H 2014 DISCONTINUED	ACTUAL 1H 2013 DISCONTINUED
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ITALY

SGR	Revenues	10,3	11,1	
	Ebit	3,7	4,7	
	ROS	36,3%	42,1%	
Integra	Revenues	9,6	7,6	
	Ebit	1,1	0,8	
	ROS	11,5%	11,0%	
Agency	Revenues	1,3	0,8	
	Ebit	(0,6)	(1,9)	
	ROS	-47,3%	-237,3%	
Valuation	Revenues	2,5	2,1	
	Ebit	0,6	0,4	
	ROS	21,7%	19,7%	
Franchising	Revenues	0,0	0,3	
	Ebit	0,0	(0,4)	
	ROS	0,0%	-140,2%	
NPL - Credit Servicing	Revenues	4,9	4,2	
	Ebit	0,2	(2,1)	
	ROS	3,9%	-49,5%	
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Management Platform ITALY		Revenues	28,7	26,0
		Ebit	4,9	1,5
		ROS	17,2%	5,7%

GERMANY

Management Platform GERMANY		Revenues	6,1	6,7
		Ebit	1,3	0,2
		ROS	21,8%	3,5%

POLAND

Management Platform POLAND		Revenues	0,1	0,2
		Ebit	(0,2)	(0,1)
		ROS	-175,4%	-80,8%

Management Platform Foreign Countries		Revenues	6,2	6,9
		Ebit	1,1	0,1
		ROS	17,6%	1,3%

G&A

G&A (Holding)		Revenues	0,0	(0,1)
		Ebit	(6,2)	(5,9)

TOTAL MANAGEMENT PLATFORM

		Revenues	34,9	32,8
		Ebit Management Platform	(0,2)	(4,3)
		ROS	-0,5%	-13,1%
		Revenues excluding G&A	34,9	32,9
		Ebit Management Platform excluding G&A	6,0	1,6
		ROS	17,3%	4,8%

Investment: Ebit

(€/mln)

ACTUAL 1H 2014
DISCONTINUED

ACTUAL 1H 2013
DISCONTINUED

		ACTUAL 1H 2014 DISCONTINUED	ACTUAL 1H 2013 DISCONTINUED
<i>Vehicles</i>	Ebit :	(3,5)	(5,5)
<i>Funds</i>	Ebit :	0,8	0,4
<i>Structure</i>	Ebit	(1,9)	(1,6)
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<u>ITALY Real Estate</u>	Ebit	(4,6)	(6,8)
<u>ITALY NPL</u>	Ebit	0,1	3,3
<u>GERMANY Real Estate</u>	Ebit	(0,2)	0,6
<u>POLAND Real Estate</u>	Ebit	(0,7)	(0,7)
<u>TOTAL</u>	Ebit Investment	(5,4)	(3,6)
	Total (Management and Investment)	(5,6)	(7,9)

Consolidated Balance Sheet

(€/mln)

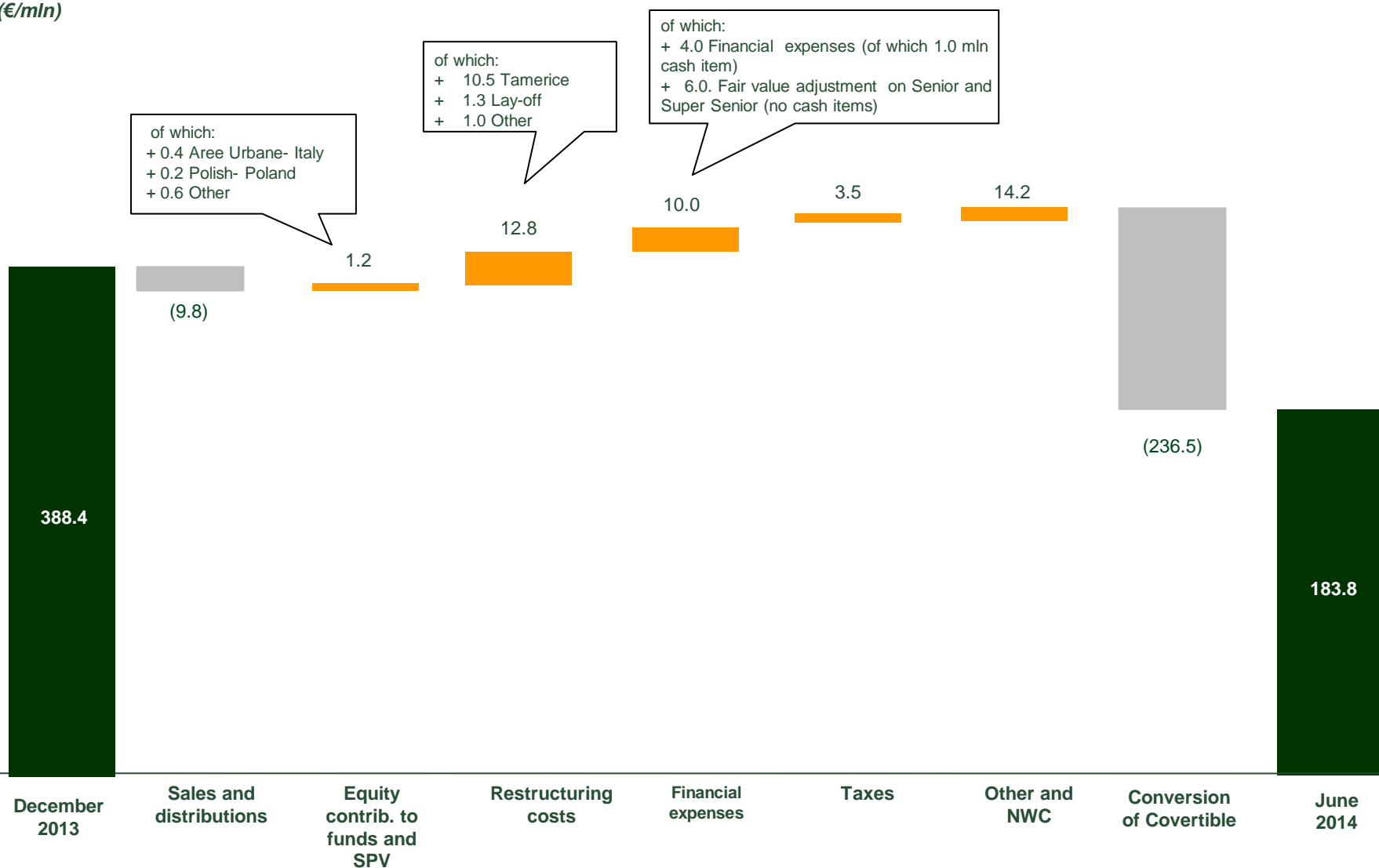
	ACTUAL IH 2014 ¹⁾	ACTUAL FY 2013	ACTUAL FY 2013 pro forma ²⁾
1 Fixed assets	370.3	380.4	380.4
<i>of which participations and shareholders' loan</i>	308.0	317.7	317.7
<i>of which goodwill</i>	56.4	56.4	56.4
2 Net working capital	13.7	13.9	13.9
Inventories	47.0	48.4	48.4
Trade receivables	37.7	35.0	35.0
Trade payables	(48.6)	(48.1)	(48.1)
Other payables/receivable	(22.4)	(21.4)	(21.4)
3 Net invested capital	384.0	394.3	394.3
4 Net equity	133.3	(66.3)	169.6
<i>of which group net equity</i>	131.1	(69.1)	166.8
5 Funds	66.9	72.2	72.2
6 Net financial position	183.8	388.4	152.5
7 Total sources	384.0	394.3	394.3

1) Values reflect the impact of discontinued operation related to DGAG sale : participations for 4.4 €mln, shareholders' loan for 29.6 €mln, other liabilities for 1.0 €mln, funds for 1.1 €mln

2) After conversion of Convertible (execution date 14 April 2014)

Net Financial Position Dec 2013 – June 2014¹⁾

(€/mln)



1) Discontinued figures

ANNEXES - Financial Statements at June 30th, 2014

Prelios Assets Breakdown as of June 2014

(€/mln)

	Mkt. Value 100% 30.06.14	Book Value 100% 30.06.14	Net debt 100% 30.06.14	Mkt. Value pro rata Prelios	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV pro rata	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP	
ITALY ¹⁾	2.156	2.078	1.438	698	671	455	65%	243	204	-4,6	
GERMANY	1.309	1.299	547	191	187	73	38%	118	117	-0,2	
POLAND	67	18	0	27	7	0	0%	27	6	-0,7	
TOTAL REAL ESTATE CO- INVESTED	3.532	3.395	1.985	916	866	528	58%	388	327	-5,6	
THIRD PARTIES	1.907	N/A	N/A ²⁾	23	N/A	N/A			8	0,1	
TOTAL REAL³⁾ ESTATE	5.440	3.395	1.985	939	866	528		388	335	-5,5	
									NPL (investment)	11	0,1
									TOTAL INVESTMENT	345	-5,4
									MANAGEMENT PLATFORM	38	-0,2
									TOTAL PRELIOS	384	-5,6

1) Market value 100% includes about 358 mln related to F.do Spazio Investment, participated by Prelios Netherland BV but not managed by entities of Prelios Group, and about 67 mln related to the land of Lucchini (managed by the participated JV Bielany Project Management).

2) Including initiatives with a Prelios share lower than 5% or not participated. The net debt 100% of third parties is about 349 mln.

3) Asset breakdown doesn't include initiatives in "winding up process" or similar processes (Fondo Portafogli Misti, Riva dei Ronchi, Tamerice, Induxia, Maro, Roca, Lupicaia and Aree Urbane) with a total 351 mln net debt 100% and net debt pro-rata 121 mln.

Italy: Real Estate Assets Breakdown as of June 2014

(€/mln)

	Mkt. Value 100% 30.06.14	Book Value 100% 30.06.14	Net debt 100% 30.06.14	Mkt. Value pro rata Prelios	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP
COMMERCIAL ¹⁾ YIELDING & CORE	1.449	1.391	840	411	393	239	58%	171	134	0,2
TRADING & SOHO	342	336	375	127	124	127	100%	0	21	-1,0
DEVELOPMENT	129	127	85	61	60	39	64%	22	9	-0,7
LANDS ¹⁾	237	225	138	99	94	49	50%	50	40	-3,3
TOTAL ITALY CO- INVESTED	2.156	2.078	1.438	698	671	455	65%	243	204	-4,6
THIRD PARTIES	1.907	N/A	N/A ²⁾	23	N/A	N/A			8	0,1
TOTAL ITALY	4.063	2.078	1.438	721	671	455		243	212	-4,6

¹⁾ Market value 100% includes about 284 mln in Commercial Yielding Core (Book value 100% about 250 mln) and about 75 mln in Lands (Book value 100% about 74 mln) related to F.do Spazio Investment, participated by Prelios Netherland BV but not managed by entities of Prelios Group.

²⁾ Including initiatives with a Prelios share lower than 5% or not participation. The net debt 100% of third parties Italy is 349 mln.

Germany & Poland: Real Estate Assets Breakdown as of June 2014

(€/mln)

	Mkt. Value 100% 30.06.14	Book Value 100% 30.06.14	Net debt 100% 30.06.14	Mkt. Value pro rata Prelios	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+ IIP
DGAG (Residential)	0	0	0	0	0	0		0	34	0,0
HIGHSTREET (Commercial)	1.225	1.225	534	148	148	64	43%	84	41	0,0
Residential Small deals	0	0	0	0	0	0		0	0	0,0
Commercial & other	84	74	13	42	39	9	20%	34	42	-0,2
TOTAL GERMANY	1.309	1.299	547 ²⁾	191	187	73	38%	118	117	-0,2
TOTAL ¹⁾ POLAND LANDS	67	18	-0,4	27	7	-0,1	0%	27	6	-0,7

¹⁾ Market value 100% related to the land of Lucchini (managed by the participated JV Bielany Project Management).

²⁾ Not Including initiatives with a Prelios share lower than 5% or not participated. The net debt 100% of third parties is about 0.02 mln.

Financial situation of co-investments

(€/mln)

Bank Loan characteristics (figures 100% basis)¹⁾

- LTV ²⁾ Real Estate 56%: Italy 67%, Germany 42% (pro rata Real estate 57%: Italy 65%, Germany 36%);
- Average Duration 0,8 (Italy 0,2, Germany 2,0);
- Average Spread: 425 bps;
- 48% interest rate risk hedged;
- Recourse guarantees for approx. 12.4 € mln ³⁾ (pro-rata Prelios).

€/mil	NET DEBT	
	100%	pro-rata
Actual IH 2014	2,229	623
Actual FY 2013	2,643	749
Actual FY 2012	6,068	1,478
Variance IH 2014 vs FY 2013	-414	-127
Variance FY 2013 vs FY 2012	-3,839	-856

1) Excluded NPL

2) Calculated on net debt

3) Recourse guarantees include 4,9 €mln related to Aree Urbane SPV, already included as financial indebtedness in Net Financial Position.

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Marco Andreasi, Prelios' Financial Reporting Officer, declares, pursuant to article 154-bis of the Decree 58/1998 that the accounting information contained in this presentation, corresponds to the underlying documentary records, books of accounts and accounting entries.