



PRELIOS

THE REAL POTENTIAL OF REAL ESTATE



Prelios

Milan, 4th May 2011

▪ **Q1 2011 Results**

Q1 2011 KEY MESSAGES

- Q1 has been good, with a solid start
- Key performance indicators in line with year end targets

Results and Targets

(€/mln)

	March 2011	2011 year end target	March 2010
Mgmt Platform Revenues	41.9	consolidation	41.6

Mgmt Platform EBIT	+ 6.1 + 22%	+ 15 / + 25%	+ 5.0

AUM Real Estate book (€/bln)	12.0	~ 13.0	14.2
of which: third parties	~ 10%	~ 20%	~ 7%

Net Financial Position	459.5 ¹⁾	< 400	458.6

Assets Sales (€/bln)	0.7	~ 1.5	0.2

Consolidated net profit	+ 10.0	positive	+ 0.4

1) Net Financial Position as of 31.12.2010 is 424.0 €/mln

Consolidated Profit and Loss

(€/mln)

	March 2011	March 2010	March 2009
Revenues	46.4	51.7	53.8
<i>of which service activities</i>	41.9	41.6	47.7
<i>of which other revenues</i>	4.5	10.1	6.1
EBIT services	5.6	5.0	(1.3)
Income from equity participations services	0.5	0.0	0.0
Management platform/G&A	6.1	5.0	(1.3)
EBIT consolidated investment activities	(4.5)	(1.2)	(0.9)
Income from equity participations	11.1	(0.0)	(12.5)
Interest income from Shareholders' loans	6.8	6.5	8.5
Investments	13.4	5.3	(4.9)
EBIT incl. income from equity part. & interest income from shareholders' loans	19.5	10.3	(6.2)
Financial charges	(6.2)	(5.2)	(8.3)
Profit before restr. costs, writedown/ reval. & taxes	13.3	5.1	(14.5)
Restructuring costs	(0.4)	0.0	0.0
Real estate writedowns/revaluations	0.0	0.0	0.0
Profit before taxes	12.9	5.1	(14.5)
Income taxes	(3.2)	(4.1)	(2.1)
Net income before discontinued operations	9.7	1.0	(16.6)
Discontinued operation	0.0	0.0	0.0
Net income	9.7	1.0	(16.6)
Minority interests	0.3	(0.6)	0.8
Net income after minority interests	10.0	0.4	(15.8)

Segment Report

(€/mln)

	Italy		Germany		Poland		NPL		G&A		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Management platform	9.1	8.4	2.2	0.9	(0.7)	(0.3)	(1.4)	(0.0)	(3.1)	(4.0)	6.1	5.0
Vehicles & funds	7.6	1.4	4.6	0.5	(0.8)	0.5	2.0	2.9			13.4	5.3
Ebit including income and interest income SH Loans	16.7	9.8	6.8	1.5	(1.5)	0.2	0.6	2.9	(3.1)	(4.0)	19.5	10.3

of which Italy

	Fund & Asset mgmt		Property		Agency		Total Manag. platform	
	2011	2010	2011	2010	2011	2010	2011	2010
Management platform	4.8	6.3	2.9	1.7	1.5	0.4	9.1	8.4
Investment								
Vehicles & funds	7.6	1.4					7.6	1.4
Ebit including income and interest income SH Loans	12.4	7.7	2.9	1.7	1.5	0.4	16.7	9.8

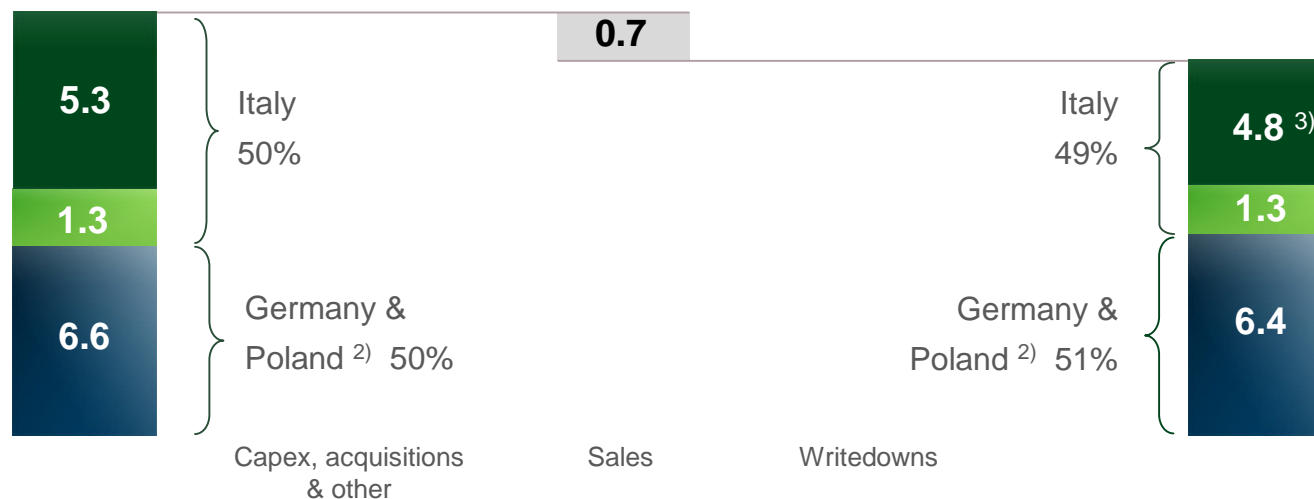
Assets under Management by Country (Market Value¹)

(€/Bln)

■ AuM Italy Participated ■ AuM Italy not Participated ■ AuM Germany & Poland

Dec 2010

Mar 2011



Total AuM	14.6	13.9	Total AuM
Real Estate	13.2	12.5	Real Estate
NPL	1.4	1.4	NPL
Book Value	14.1	13.4	Book Value
o/w Real Estate	12.7	12.0	o/w Real Estate

¹⁾ market value is calculated on the basis of Dec 2010 third parties appraisals considering the impact of further capex, disposals and exchange rates

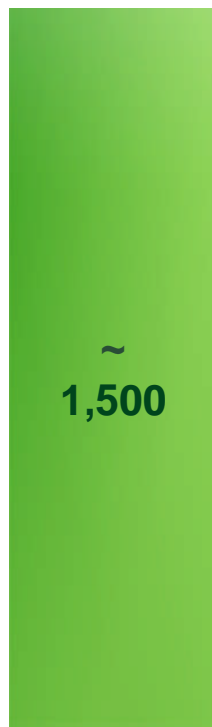
²⁾ Of which Poland 1% on total AUM

³⁾ Of which 0.8 bln owned through shares <5% (Fondo Armilla and Fondo Cloe)

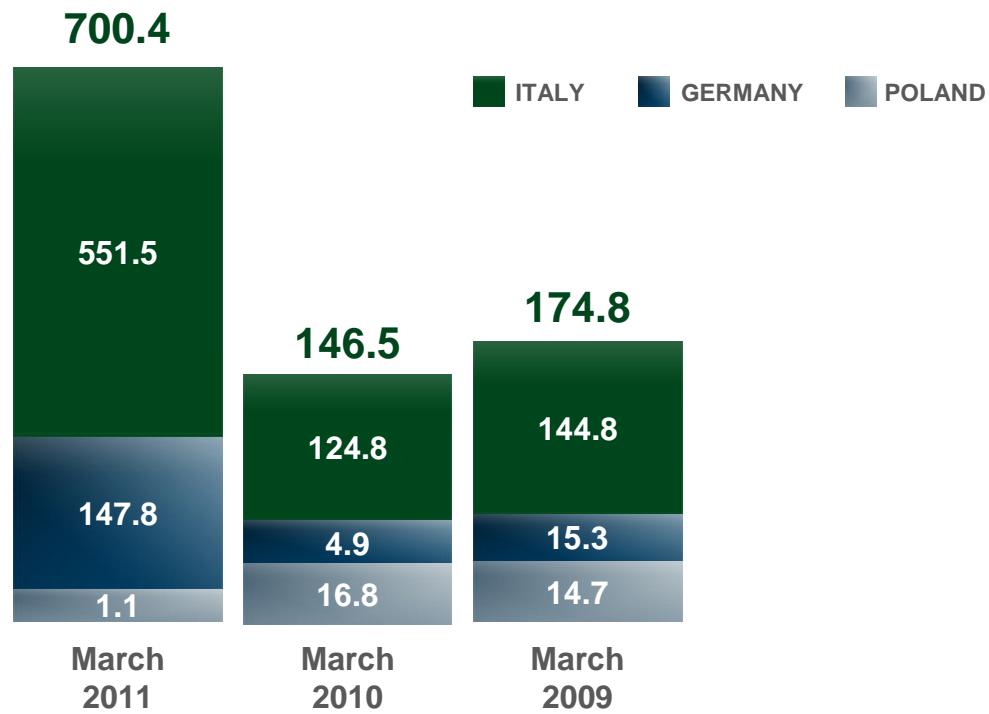
Sales trend

(€/mln)

**Target
2011**

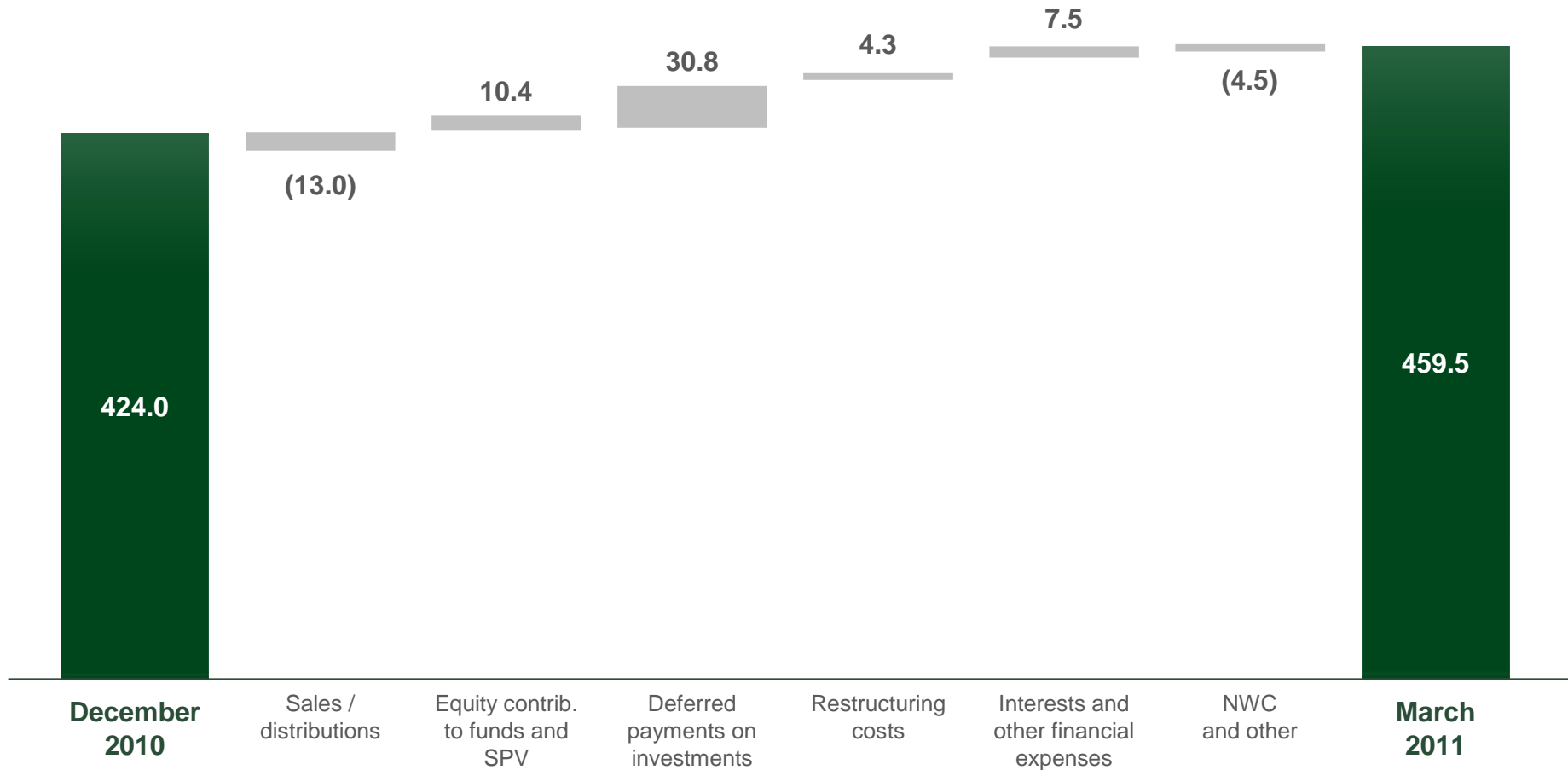


- ▶ **Gross margin** on book value on sales is approx. + 6.5% as of **March 2011**
- ▶ Sales price is **approx. 5% above market value**



NFP excl. Shareholders' Loans

(€/mln)



Group Corporate Lines – April

(€/mln)

Bank	Commitment	Expiry
CLUB DEAL (*)	320,000	Jul-12
PIRELLI&C.	150,000	Jul-12
sub total	470,000	
WEST LB	50,000	May-11
POP MILANO	10,000	Jul-11
UNICREDIT	25,000	Feb-12
BPS	5,000	Mar-12
DEUTSCHE BANK	20,000	Apr-12
TOTAL	580,000	
AVERAGE RESIDUAL LIFE	13 months	

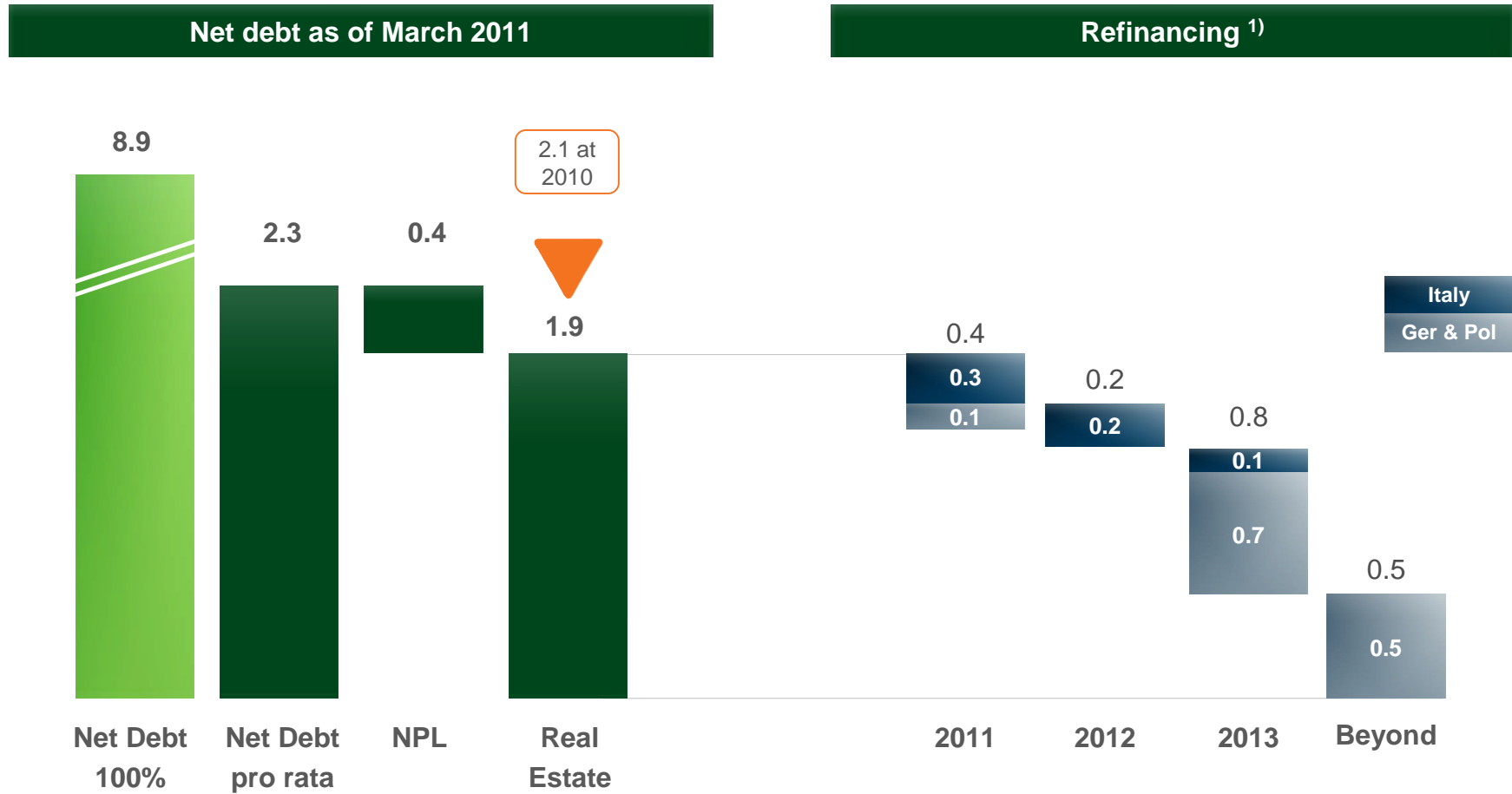
Average spread on present situation **278 bps**

(*) Club Deal Participants:

Unicredit	100M	Banca Popolare Sondrio	20M
Intesa SanPaolo	50M	Banca Popolare Emilia Romagna	20M
Monte Paschi Siena	50M	Banca Carige	20M
Banca Popolare Milano	50M	UBI - Centrobanca	10M

Financial situation of co-investments

(€/bln)



¹⁾ Due to maturity

Financial situation of co-investments

Bank Loan characteristics ¹⁾

- ❑ LTV 65%: Italy 50%, Germany 79% and Poland 42%
- ❑ Average Duration: close to 2.7 years (pro-rata Prelios 2.6): Italy 2.4, Germany 2.9, Poland 1.1
- ❑ Average Spread: 201 bps (pro-rata Prelios 175 bps)
- ❑ 80% interest rate risk hedged (pro-rata Prelios 72%)
- ❑ Recourse guarantees pro-rata Prelios for approx. 22.5€ mln

¹⁾ Excluded NPL and subsidized loans

Consolidated Balance Sheet

(€/mln)

	March 2011	December 2010	December 2009
1 Fixed assets	607.2	590.0	654.0
▶ of which participations	441.2	423.6	472.3
▶ of which goodwill	148.1	148.1	148.1
2 Net working capital	107.2	106.0	114.9
3 Net invested capital	714.4	695.9	768.9
4 Net equity	611.2	589.6	663.1
▶ of which group net equity	601.6	579.8	653.4
5 Funds	62.2	61.6	64.5
6 Net financial position	41.0	44.7	41.3
▶ of which shareholders' loan	418.5	379.2	404.4
7 Total sources	714.4	695.9	768.9
NFP excluding shareholders' loan	459.5	424.0	445.8
NIC excluding shareholders' loan	1,132.9	1,075.1	1,173.4
Gearing	0.75	0.72	0.67

Annexes

Consolidated Net Cash Flow

(€/mln)

	March 2011	March 2010
Ebit before restructuring costs, reval./deval.	1.1	3.8
Depreciation	0.8	1.2
Change in investments	7.0	(4.8)
Change in other fixed assets	(0.5)	0.2
Change in NWC, Funds and Other	(0.7)	(12.6)
Free cash flow	7.7	(12.2)
Restructuring costs	(4.3)	(4.3)
Interest income/expenses and taxes	0.4	2.5
Cash flow before dividends	3.8	(14.0)
Capital Increase / (Dividends)	0.0	0.0
Net cash flow	3.8	(14.0)
Change in Shareholders' loans	(39.3)	1.1
Net cash flow with shareholders' loans	(35.5)	(12.9)

Management Platform by Country & G&A

(1/2)

(€/mln)

		MARCH 2011	MARCH 2010		
ITALY	Fund & Asset management	Revenues	8.0	10.6	
		Result	4.8	6.3	
	Property	Revenues	6.7	5.1	
		Result	2.9	1.7	
	Agency	Revenues	8.9	5.4	
		Result	1.5	0.4	
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	Management Platform ITALY		Revenues	23.6	21.2
			Result	9.1	8.4
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NPL	Management Platform NPL	Revenues	2.7	4.4	
		Result	(1.4)	(0.0)	

Management Platform by Country & G&A

(2/2)

(€/mln)

		MARCH 2011	MARCH 2010		
GERMANY	Asset management	Revenues	3.1	3.3	
		Result	0.7	0.7	
	Property	Revenues	10.3	10.3	
		Result	1.3	0.0	
	Agency	Revenues	1.3	1.0	
		Result	0.2	0.2	

	Management Platform GERMANY		Revenues	14.7	14.6
			Result	2.2	0.9

POLAND	Management Platform POLAND	Revenues	0.3	0.8	
		Result	(0.7)	(0.3)	
G&A		Revenues	0.5	0.5	
		Result	(3.1)	(4.0)	

TOTAL		Revenues	41.9	41.6	
	TOTAL MANAGEMENT PLATFORM		6.1	5.0	

Prelios Assets breakdown as of March 2011

(€/mln)

	Mkt. Value 100% 31.03.11 ¹⁾	Mkt. Value pro rata Prelios 31.03.11 (26% average)	Book Value pro rata Prelios	UCG pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT + IEP + IIP
ITALY	4,795	1,305	1,214	90	649	50%	656	518	7.6
GERMANY	6,279	1,587	1,573	14	1,255	79%	331	258	4.6
POLAND	159	59	46	13	25	42%	35	16	- 0.8
TOTAL REAL ESTATE CO-INVESTED	11,233	2,950	2,834	117	1,929	65%	1,021	792	11.4
THIRD PARTIES	1,345								
TOTAL REAL ESTATE	12,578								
								NPL (investment)	2.0
								MANAGEMENT PLATFORM	6.1
								TOTAL PRELIOS	19.6

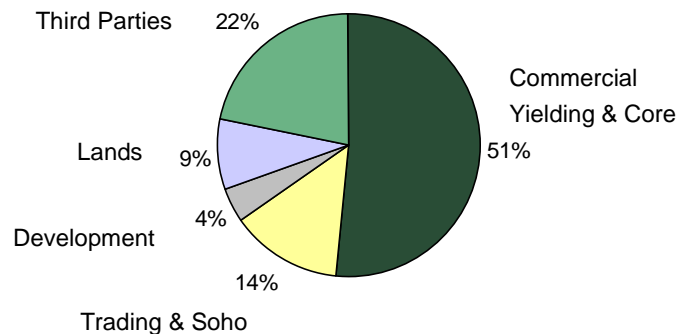
NOTE: The difference between NAV and UCG+NIC (equal to 112 € mln) is due to other asset and liabilities not included into the calculation of NAV real estate

¹⁾ market value is calculated on the basis of Dec 2010 third parties appraisals considering the impact of further capex, disposals and exchange rates

Italy: Real Estate Assets Breakdown as of March 2011

(€/mln)

	Mkt. Value 100% 31.03.11 ¹⁾	Mkt. Value pro rata Prelios 31.03.11	Book Value pro rata Prelios	UCG pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT + IEP + IIP
COMMERCIAL YIELDING & CORE	3,160	687	662	24	319	46%	368	320	15.4
TRADING & SOHO	855	306	265	41	172	56%	134	74	- 5.3
DEVELOPMENT	249	97	93	4	58	60%	39	41	- 0.7
LANDS	532	215	195	21	100	47%	115	82	- 1.8
TOTAL ITALY CO- INVESTED	4,795	1,305	1,214	90	649	50%	656	518	7.6
THIRD PARTIES	1,345								
TOTAL ITALY	6,140								



NOTE: The difference between NAV and UCG+NIC (equal to 48 € mln) is due to other asset and liabilities not included into the calculation of NAV real estate

¹⁾ market value is calculated on the basis of Dec 2010 third parties appraisals considering the impact of further capex, disposals and exchange rates

Germany & Poland: Real Estate Assets Breakdown as of March 2011

(€/mIn)

	Mkt. Value 100% 31.03.11 ¹⁾	Mkt. Value pro rata Prelios 31.03.11	Book Value pro rata Prelios	UCG pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT + IEP + IIP
DGAG (Residential)	918	376	370	6	263	70%	113	97	0.5
BAUBECON (Residential)	1,528	611	609	2	509	83%	102	64	- 1.4
HIGHSTREET (Commercial)	3,389	410	410	0	371	90%	39	37	1.7
Residential Small deals	288	128	126	2	87	68%	41	37	0.4
Commercial & other	156	62	58	4	26	41%	36	23	3.3
TOTAL GERMANY	6,279	1,587	1,573	14	1,255	79%	331	258	4.6
TOTAL POLAND LANDS	159	59	46	13	25	42%	35	16	- 0.8

NOTE: The difference between NAV and UCG+NIC (equal to 65 € mIn) is due to other asset and liabilities not included into the calculation of NAV real estate

¹⁾ market value is calculated on the basis of Dec 2010 third parties appraisals considering the impact of further capex, disposals and exchange rates



Gerardo Benuzzi, Prelios' Financial Reporting Officer, declares, pursuant to article 154-bis of the Uniform Financial Act 871998 (Decree 58/1998) that the accounting information contained in this presentation, corresponds to the underlying documentary records, books of accounts and accounting entries.