

THE REAL POTENTIAL

OF REAL ESTATE

**PRELIOS**

H1 2012 Financial Statements

MILAN, 28<sup>th</sup> August, 2012

PRELIOS 

## Key Messages

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- Results still affected by uncertain economic scenario
- Received interests for a possible extraordinary transaction on company's share capital

# Results and Targets

(€/mln)

	JUNE 2012	JUNE 2011
EBIT Mgmt Platform	+6.2	+12.9
EBIT Mgmt Platform (Domestic)	+2.3	+9.4
Net Financial Position	497.5	474.1
Net Equity	199.9	600.9

# Consolidated Profit and Loss

(€/mln)

	JUNE 2012	JUNE 2011
Revenues	64.8	86.3
<i>of which service activities</i>	61.4	80.1
<i>of which other revenues</i>	3.4	6.2
EBIT services	5.5	12.0
Income from equity participations services	0.7	0.9
<b>Management platform/G&amp;A</b>	<b>6.2</b>	<b>12.9</b>
EBIT consolidated investment activities	(8.6)	(7.6)
Income from equity participations	(32.0)	8.9
Interest income from participations	5.9	13.9
<b>Investments</b>	<b>(34.7)</b>	<b>15.2</b>
<b>EBIT incl. income from equity part. &amp; interest income from part.</b>	<b>(28.5)</b>	<b>28.1</b>
Financial charges	(25.2)	(14.0)
<b>Profit before restr. costs, writedown/reval. &amp; taxes</b>	<b>(53.7)</b>	<b>14.1</b>
Restructuring costs	(12.7)	(2.0)
Property writedowns/revaluations	(52.2)	(3.6)
Property tax	0.0	(8.9)
<b>Profit before taxes</b>	<b>(118.6)</b>	<b>(0.4)</b>
Income taxes	(6.3)	0.2
<b>Net income</b>	<b>(124.9)</b>	<b>(0.2)</b>
Minority interests	(0.8)	0.7
<b>Net income after minority interests</b>	<b>(125.7)</b>	<b>0.5</b>

# Management Platform

(€/mln)

		JUNE 2012	JUNE 2011
<b>ITALY</b>	<b>Fund &amp; Asset management</b>		
	Revenues	11.7	15.5
	<b>Ebit</b>	<b>4.3</b>	<b>9.7</b>
	<b>Property</b>		
	Revenues	8.1	12.9
	<b>Ebit</b>	<b>5.1</b>	<b>5.2</b>
	<b>Agency</b>		
	Revenues	5.3	14.4
	<b>Ebit</b>	<b>(1.5)</b>	<b>2.1</b>
	<b>NPL - Credit Servicing</b>		
	Revenues	6.8	5.6
	<b>Ebit</b>	<b>(0.2)</b>	<b>(2.6)</b>
	<b>G&amp;A (Holding)</b>		
	Revenues	1.0	2.3
	<b>Ebit</b>	<b>(5.3)</b>	<b>(5.0)</b>
	<b>Management Platform ITALY</b>		
	Revenues	32.9	50.7
	<b>Ebit</b>	<b>2.3</b>	<b>9.4</b>
<b>GERMANY</b>	<b>Management Platform GERMANY</b>		
	Revenues	27.8	28.7
	<b>Ebit</b>	<b>3.9</b>	<b>5.3</b>
<b>POLAND</b>	<b>Management Platform POLAND</b>		
	Revenues	0.7	0.8
	<b>Ebit</b>	<b>0.0</b>	<b>(1.8)</b>
<b>TOTAL</b>	Revenues	61.4	80.1
	<b>TOTAL MANAGEMENT PLATFORM</b>	<b>6.2</b>	<b>12.9</b>

# Investment

(€/mln)

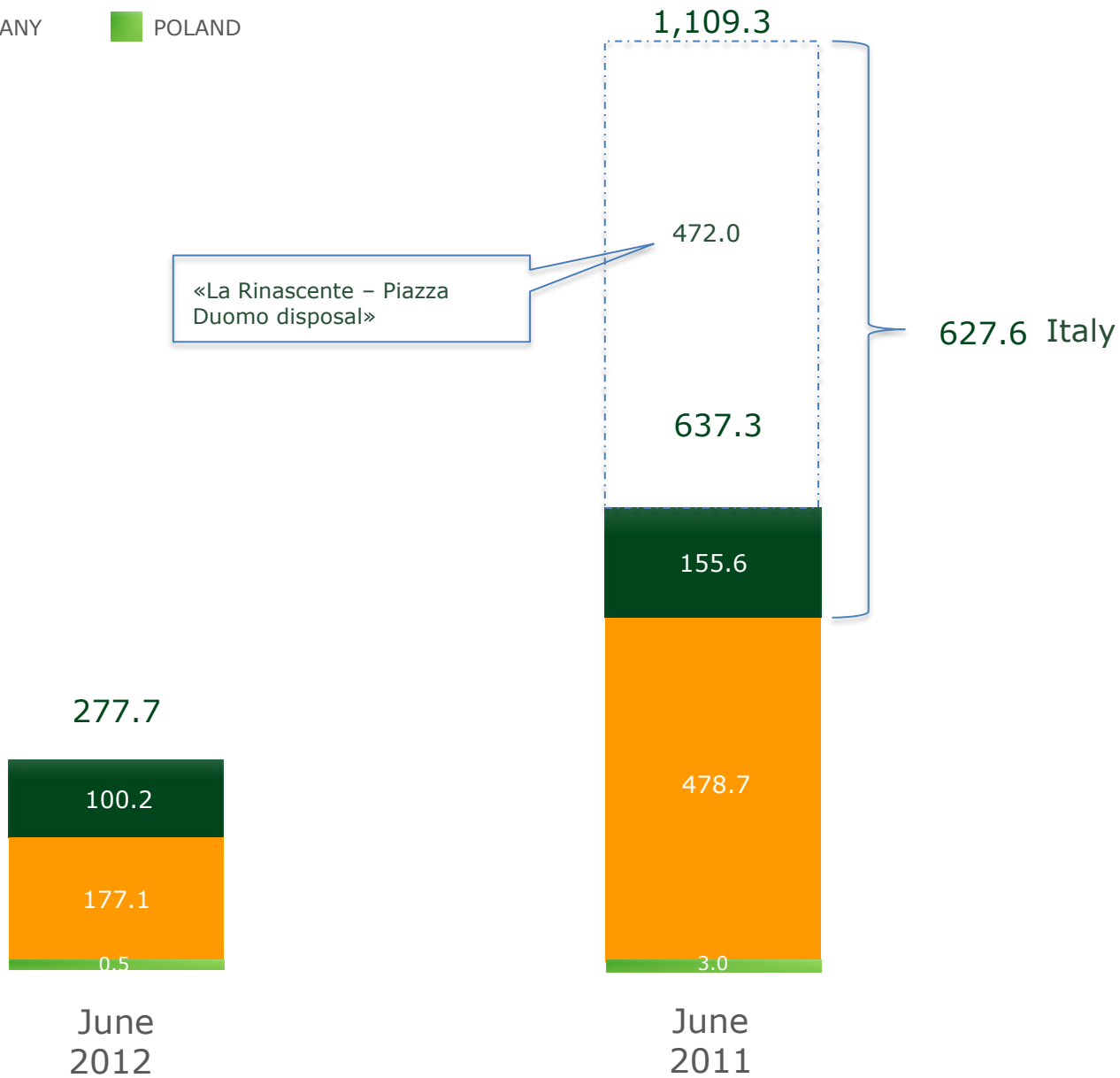
	JUNE 2012	JUNE 2011
<b><u>ITALY Real Estate</u></b>		
Revenues	2.3	4.8
<b>Ebit</b>	<b>(10.1)</b>	<b>7.0</b>
<b><u>ITALY NPL</u></b>		
Revenues	0.8	1.5
<b>Ebit</b>	<b>(26.1)<sup>1)</sup></b>	<b>(3.0)</b>
<b><u>GERMANY Real Estate</u></b>		
Revenues	0.0	0.0
<b>Ebit</b>	<b>1.6</b>	<b>12.4</b>
<b><u>POLAND Real Estate</u></b>		
Revenues	0.4	(0.1)
<b>Ebit</b>	<b>(0.1)</b>	<b>(1.2)</b>
<b><u>TOTAL</u></b>		
Revenues	3.4	6.2
<b>Ebit</b>	<b>(34.7)</b>	<b>15.2</b>

<sup>1)</sup> Figures include -25.5 mln as impairment test losses in June 2012 and -3 mln as loss on CFT portfolio partial sale (cash in 6.4 mln).

# Sales trend

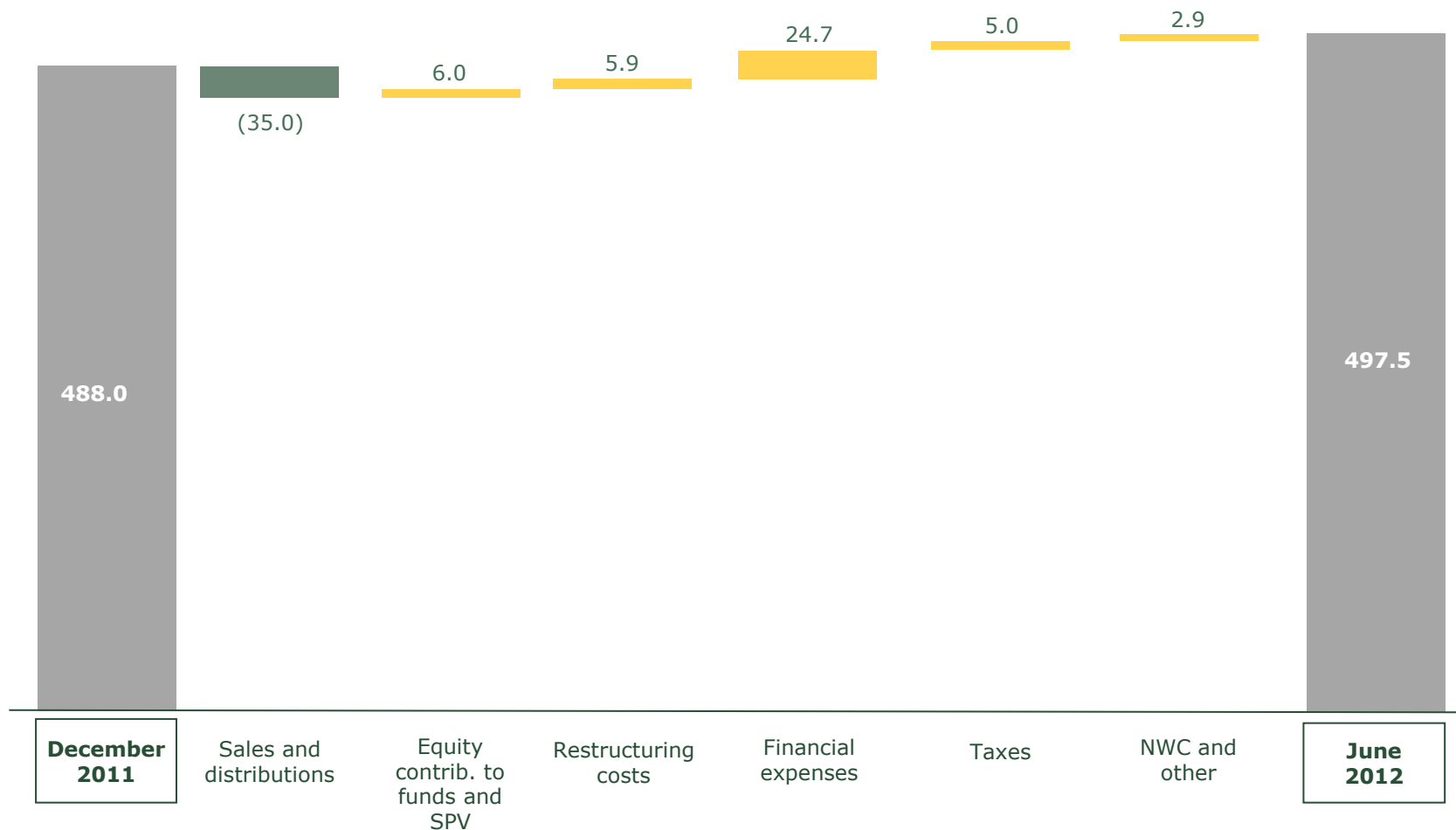
(€/mln)

■ ITALY ■ GERMANY ■ POLAND



# Net Financial Position Dec 2011-Jun 2012

(€/mln)



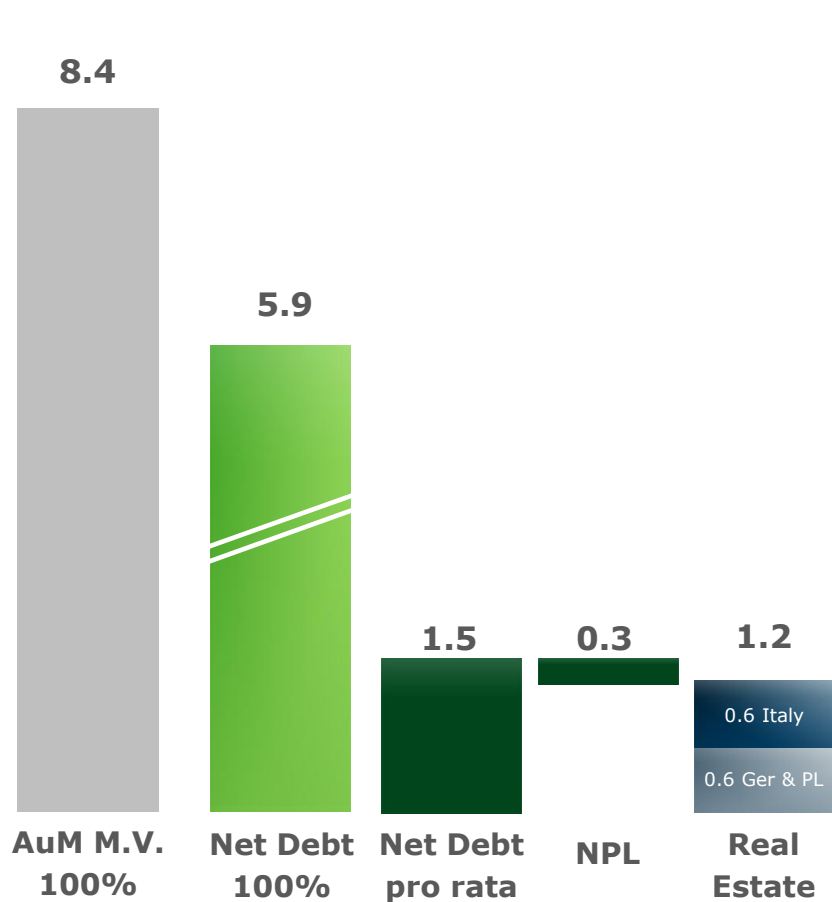


# Financial situation of co-investments (aggregate debt)

(€/mln)

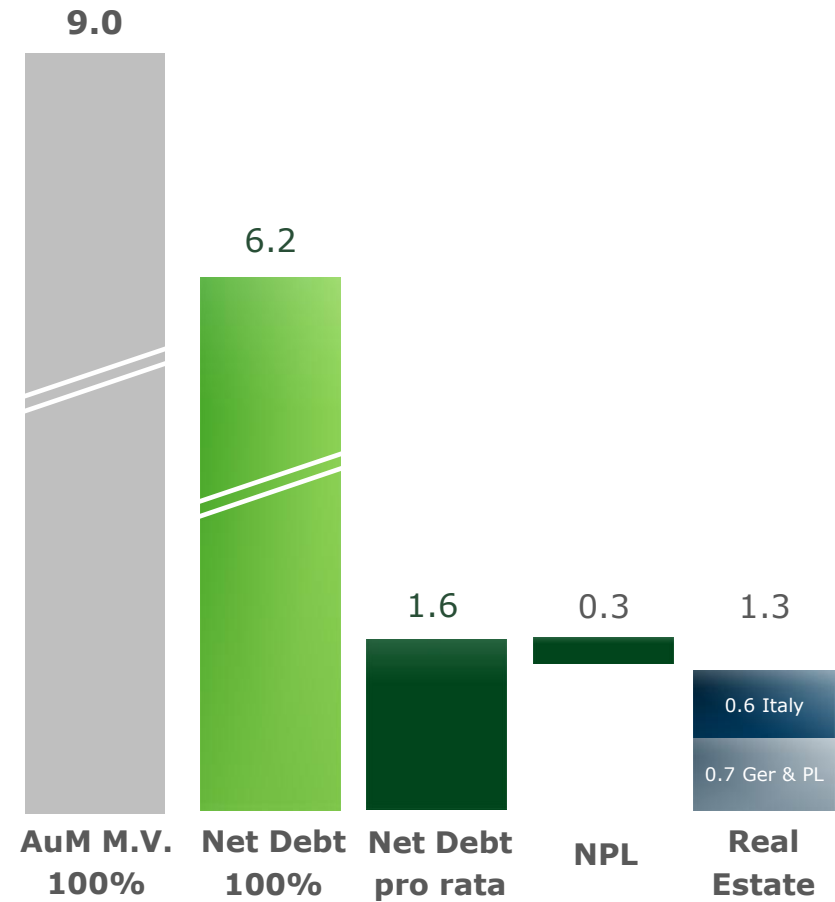
## Net debt as of June 2012

LTV pro-rata Prelios 67%: - Real Estate 62%  
- NPL 96%



## Net debt as of December 2011

LTV pro-rata Prelios 65%: - Real Estate 61%  
- NPL 86%



# Financial situation of co-investments

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## Bank Loan characteristics <sup>1)</sup>

- ❑ LTV Real Estate 62% : Italy 55%, Germany 73% (pro-rata Prelios)
- ❑ Average Duration 1.8 (1.7 pro-rata Prelios): Italy 1.3, Germany 2.0
- ❑ Average Spread : 219 bps (pro-rata Prelios)
- ❑ 73% interest rate risk hedged (pro-rata Prelios)
- ❑ Recourse guarantees for approx. 46.6€ mln (pro-rata Prelios)

<sup>1)</sup> Excluded NPL and subsidized loans

## Consolidated Balance Sheet as of June 2012

	JUNE 2012	DECEMBER 2011
<b>Fixed assets</b>	<b>715.4</b>	<b>820.4</b>
<i>of which participations and shareholders' loan</i>	550.6	651.6
<i>of which goodwill</i>	148.1	148.1
<b>Net working capital</b>	<b>42.2</b>	<b>70.4</b>
Inventories	52.8	55.3
Trade receivables	63.2	78.1
Trade payables	(62.3)	(74.9)
Other payables/receivable	(11.6)	(11.9)
<b>Net invested capital</b>	<b>757.6</b>	<b>890.8</b>
Net equity	199.9	326.2
<i>of which group net equity</i>	191.5	318.8
Funds	60.2	76.6
Net financial position	497.5	488.0
<b>Total sources</b>	<b>757.6</b>	<b>890.8</b>

# ▶ **Annexes**

# Prelios Assets Breakdown as of June 2012

(€/mln)

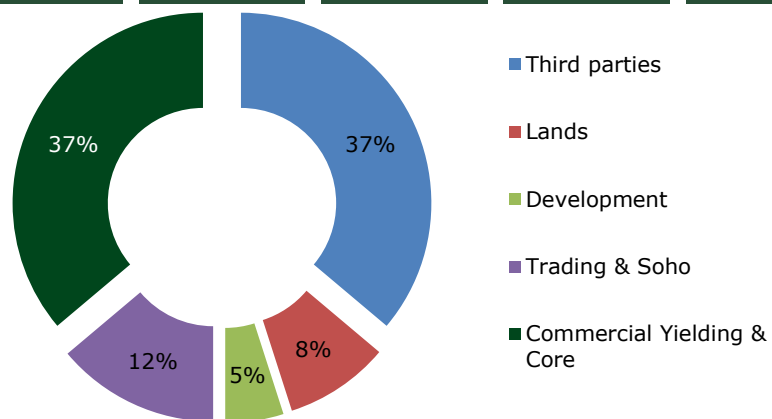
	Mkt. Value 100% 30.06.12	Book value 100% 30.06.12	Net debt 100% 30.06.12	Mkt. Value pro rata Prelios 30.06.12	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV pro rata	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP	
ITALY	3,192	2,874	1,736	1,011	929	554	55%	457	327	-10.1	
GERMANY	3,984	3,966	3,133	855	856	620	73%	234	191	1.7	
POLAND	91	46	-1	31	16	-1	-2%	32	8	-0.1	
<b>TOTAL REAL ESTATE CO-INVESTED</b>	<b>7,268</b>	<b>6,886</b>	<b>4,869</b>	<b>1,897</b>	<b>1,801</b>	<b>1,174</b>	<b>62%</b>	<b>723</b>	<b>525</b>	<b>-8.6</b>	
THIRD PARTIES ITALY	1,876	1,720	425	27	24	15	55%	12	8	0.1	
THIRD PARTIES GERMANY <sup>1)</sup>	1,414	1,414									
<b>TOTAL REAL ESTATE</b>	<b>10,558</b>	<b>10,021</b>	<b>5,294</b>	<b>1,923</b>	<b>1,824</b>	<b>1,189</b>	<b>62%</b>	<b>734</b>	<b>534</b>	<b>-8.5</b>	
									NPL (investment)	59	-26.1
									MANAGEMENT PLATFORM	165	6.2
									<b>TOTAL PRELIOS</b>	<b>758</b>	<b>-28.4</b>

<sup>1)</sup> The company considers Baubekon investment out of the calculation of net asset value starting from 30.09.2011

# Italy: Real Estate Assets Breakdown as of June 2012

(€/mln)

	Mkt. Value 100% 30.06.12	Book value 100% 30.06.12	Net debt 100% 30.06.12	Mkt. Value pro rata Prelios 30.06.12	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP
COMMERCIAL YIELDING & CORE	1.891	1.710	986	524	496	288	55%	236	186	1,2
TRADING & SOHO	618	538	436	220	190	146	67%	74	41	-4,9
DEVELOPMENT	272	247	102	104	96	44	43%	60	44	-2,1
LANDS	412	379	212	163	147	75	46%	87	56	-4,4
<b>TOTAL ITALY CO- INVESTED</b>	<b>3.192</b>	<b>2.874</b>	<b>1.736</b>	<b>1.011</b>	<b>929</b>	<b>554</b>	<b>55%</b>	<b>457</b>	<b>327</b>	<b>-10,1</b>
THIRD PARTIES	1.876	1.720	425	27	24	15	55%	12	8	0,1
<b>TOTAL ITALY</b>	<b>5.068</b>	<b>4.595</b>	<b>2.162</b>	<b>1.037</b>	<b>953</b>	<b>569</b>	<b>55%</b>	<b>468</b>	<b>335</b>	<b>-10,0</b>



# Germany & Poland: Real Estate Assets Breakdown as of June 2012

(€/mln)

	Mkt. Value 100% 30.06.12	Book value 100% 30.06.12	Net debt 100% 30.06.12	Mkt. Value pro rata Prelios 30.06.12	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP
DGAG (Residential)	924	921	658	370	377	268	72%	102	81	0.7
HIGHSTREET (Commercial)	2,730	2,730	2,305	330	330	279	84%	52	43	0.0
Residential Small deals	191	178	129	88	83	60	68%	28	21	-2.4
Commercial & other	139	138	42	66	66	14	21%	52	46	3.4
<b>TOTAL GERMANY CO- INVESTED</b>	<b>3,984</b>	<b>3,966</b>	<b>3,133</b>	<b>855</b>	<b>856</b>	<b>620</b>	<b>73%</b>	<b>234</b>	<b>191</b>	<b>1.7</b>
THIRD PARTIES GERMANY (BAUBECON) <sup>1)</sup>	1,414	1,414								
<b>TOTAL GERMANY</b>	<b>5,398</b>	<b>5,381</b>	<b>3,133</b>	<b>855</b>	<b>856</b>	<b>620</b>	<b>73%</b>	<b>234</b>	<b>191</b>	<b>1.7</b>
<b>TOTAL POLAND LANDS</b>	<b>91</b>	<b>46</b>	<b>-1</b>	<b>31</b>	<b>16</b>	<b>-1</b>	<b>-2%</b>	<b>32</b>	<b>8</b>	<b>-0.1</b>

<sup>1)</sup> The company considers Baubecon investment out of the calculation of net asset value starting from 30.09.2011

# Management Platform Germany

(€/mln)

		JUNE 2012	JUNE 2011
<b>Asset management</b>			
	Revenues	5.4	6.7
	<b>Ebit</b>	<b>1.5</b>	<b>3.2</b>
<b>Agency</b>			
	Revenues	3.1	1.8
	<b>Ebit</b>	<b>1.2</b>	<b>0.3</b>
<b>Property/Facility</b>			
	Revenues	19.3	20.1
	<b>Ebit</b>	<b>1.1</b>	<b>1.8</b>
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<b>Management Platform GERMANY</b>			
	Revenues	27.8	28.7
	<b>Ebit</b>	<b>3.9</b>	<b>5.3</b>



# Consolidated Cash Flow

(€/mln)

	JUNE 2012	JUNE 2011
<b>PFN beginning of period (A)</b>	<b>488.0</b>	<b>424.0</b>
<b>Ebit before restructuring costs, reval./deval.</b>	<b>(3.1)</b>	<b>4.4</b>
Depreciation	1.2	1.6
Change in investments and shareholders' loan	13.5	(31.3)
Change in other fixed assets	(0.7)	(0.7)
Change in NWC, Funds and Other	(6.3)	(18.9)
<b>Free cash flow</b>	<b>4.6</b>	<b>(44.9)</b>
Others changes	(5.9)	(6.5)
Interest income/expenses and taxes	(8.6)	2.6
<b>Cash flow before dividends</b>	<b>(9.9)</b>	<b>(48.8)</b>
Capital Increase / (Dividends)	0.4	(1.3)
<b>Net cash flow (B)</b>	<b>(9.5)</b>	<b>(50.1)</b>
<b>PFN end of period (A-B)</b>	<b>497.5</b>	<b>474.1</b>

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Riccardo Taranto, 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

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OF REAL ESTATE

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