

THE REAL POTENTIAL

OF REAL ESTATE

PRELIOS

9M 2012 Financial Results

MILAN, November 13, 2012

PRELIOS 

Key Messages

- Approved *Memorandum of Understanding* with Feidos
- Capital Increase of € 185 mln – at least € 100 mln cash-
- Reorganization of Financial Debt
- 9M Results still affected by the weak economic scenario

Group Results

(€/mln)

	SEPTEMBER 2012	SEPTEMBER 2011
EBIT Mgmt Platform	+10.1 ¹⁾	+15.4
EBIT Investment	-49.6 ²⁾	-9.3
Net Income	-171.0	-152.9
Net Financial Position	523.6	474.2
Net Equity	153.7	464.4

1) Excluding impairment losses on service platform of 2.5 mln

2) Figures include -35.8 mln as impairment test losses in September 2012 (-25.5 mln in June 2012) and 2.9 mln as loss on CFT portfolio partial sale

Consolidated Profit and Loss

(€/mln)

	SEPTEMBER 2012	SEPTEMBER 2011
Revenues	95.8	121.6
<i>of which service activities</i>	91.6	113.6
<i>of which other revenues</i>	4.2	8.0
EBIT services	9.0	14.5
Income from equity participations services	1.1	0.9
Impairment test management platform	(2.5)	
Management platform/G&A	7.6	15.4
EBIT consolidated investment activities	(14.6)	(15.3)
Income from equity participations	(44.4)	(13.9)
Interest income from Shareholders' loans	9.4	19.9
Investments	(49.6)	(9.3)
EBIT incl. income from equity part. & interest income from shareholders' loans	(41.9)	6.1
Rinascente/Coin gain net of related expenses		31.8
Profit (loss) before financial expenses, one off property tax, restructuring costs, property writedowns/revaluations and income taxes	(41.9)	37.9
Financial charges	(36.8)	(23.7)
Profit (loss) before property tax, restructuring costs, property writedowns/revaluations and income taxes	(78.7)	14.2
Restructuring costs	(12.5)	(21.1)
Real estate writedowns/revaluations	(68.0)	(136.1)
One off - Property tax	0.0	(8.9)
Profit before taxes	(159.2)	(151.9)
Income taxes	(10.6)	(2.2)
Net income	(169.8)	(154.1)
Minority interests	(1.2)	1.2
Net income after minority interests	(171.0)	(152.9)

Management Platform

(€/mln)

		SEPTEMBER 2012	SEPTEMBER 2011
ITALY	Fund & Asset management		
	Revenues	17.6	22.7
	Ebit	6.7	13.5
	Property		
	Revenues	11.5	16.6
	Ebit	5.5	5.9
	Agency		
	Revenues	8.3	18.8
	Ebit	(1.3)	2.0
	NPL - Credit Servicing		
	Revenues	9.8	8.5
	Ebit	(0.5) ¹⁾	(3.9)
	G&A (Holding)		
	Revenues	1.1	3.3
	Ebit	(7.1)	(7.8)
	Revenues	48.4	69.9
	Ebit	3.2	9.7
GERMANY	Revenues	42.3	42.4
	Ebit	7.0	6.9
POLAND	Revenues	0.9	1.4
	Ebit	(0.1)	(1.2)
TOTAL	Revenues	91.6	113.6
	Ebit	10.1	15.4

1) Excluding impairment losses on service platform of 2.5 mln

Investment

(€/mIn)

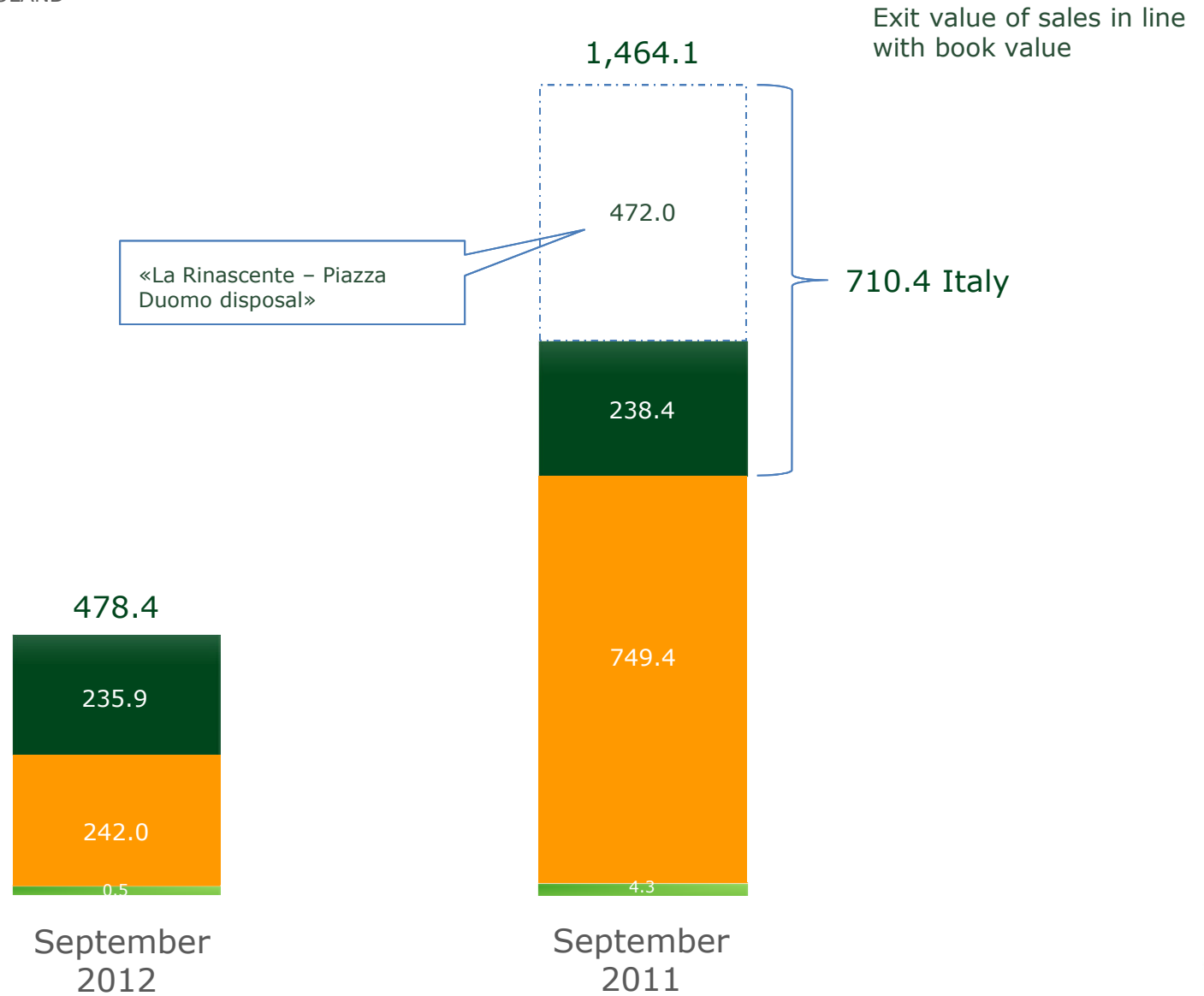
	SEPTEMBER 2012	SEPTEMBER 2011
<u>ITALY Real Estate</u>		
Ebit	(15.7)	5.1
<u>ITALY NPL</u>		
Ordinary Ebit	4.1	12.6
Impairment loss	(35.8)	(34.3)
Minus on sale	(2.9)	
Ebit	(34.6)	(21.7)
<u>GERMANY Real Estate</u>		
Ebit	1.1	10.3
<u>POLAND Real Estate</u>		
Ebit	(0.4)	(3.0)
<u>TOTAL</u>		
Ebit	(49.6)¹⁾	(9.3)

1) Figures include -35.8 mln as impairment test losses in September 2012 (-25.5 mln in June 2012 and -34.3 mln in September 2011) and 2.9 mln as loss on CFT portfolio partial sale

Sales trend

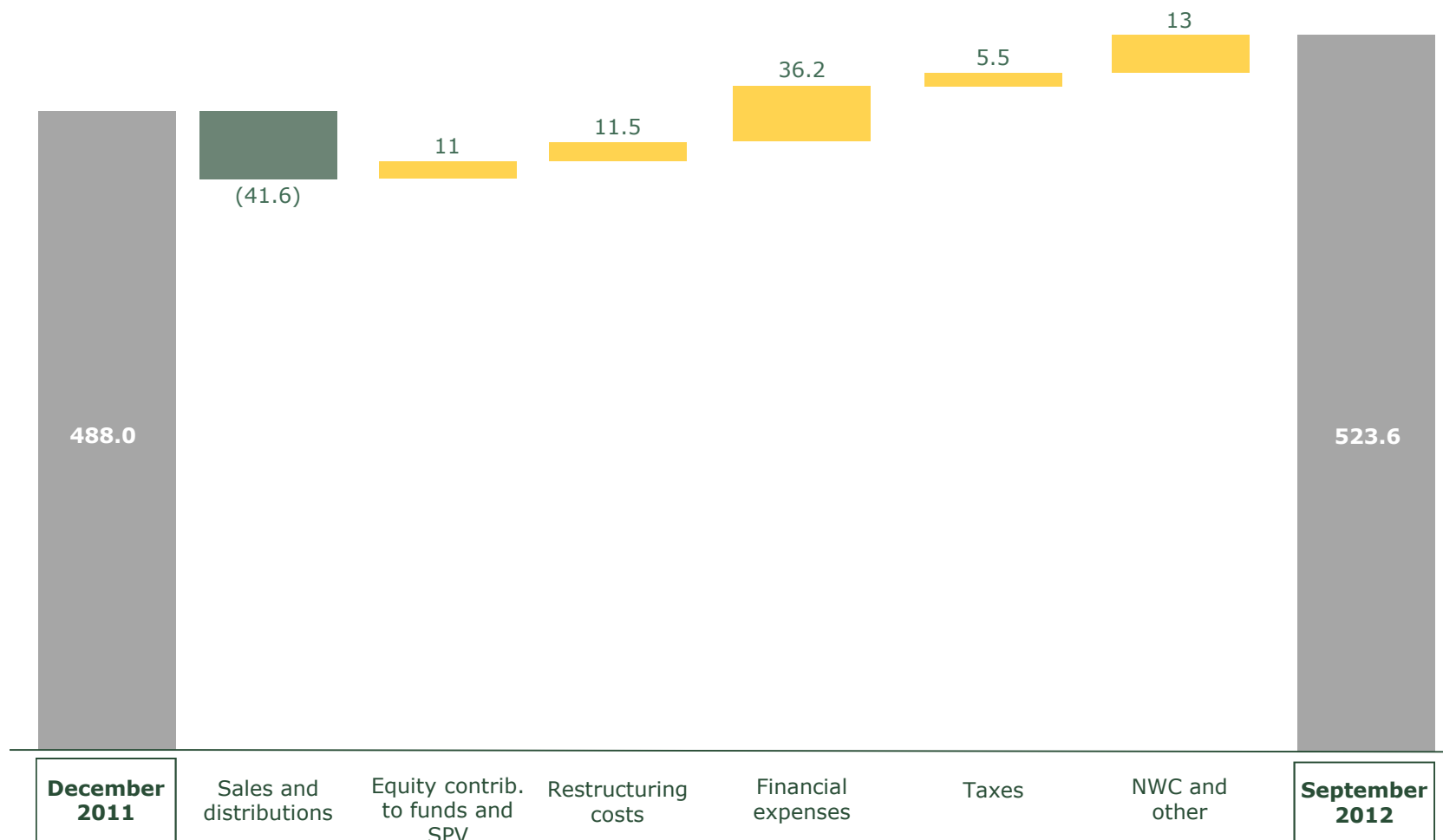
(€/mIn)

■ ITALY ■ GERMANY ■ POLAND



Net Financial Position Dec 2011 – Sept 2012

(€/mIn)

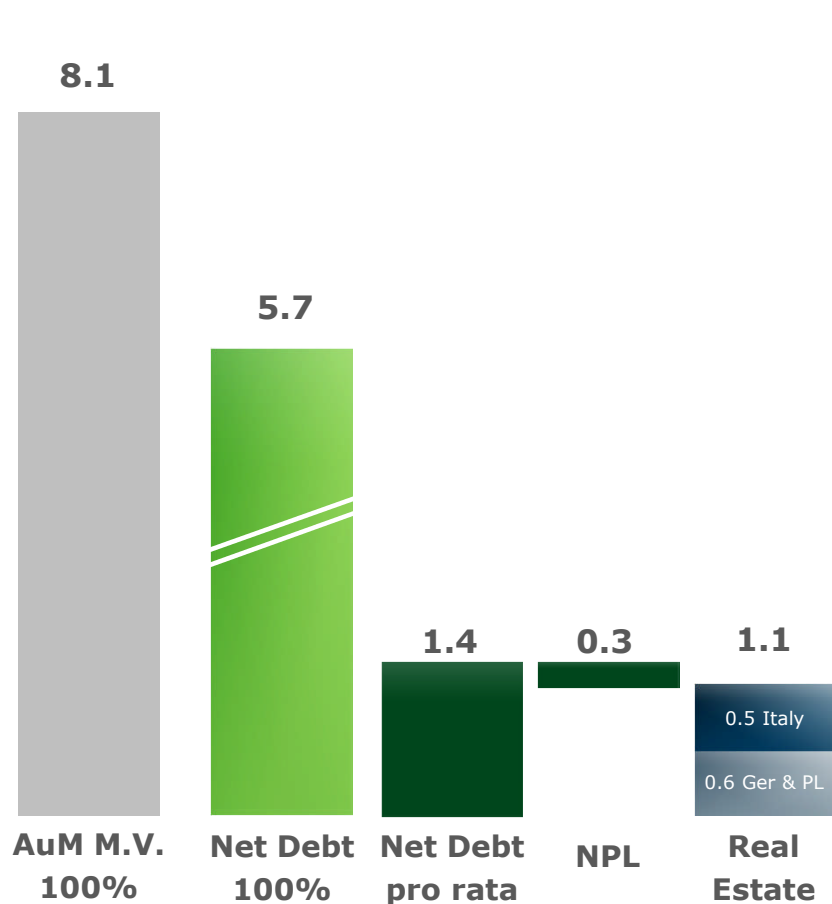


Financial situation of co-investments (aggregate debt)

(€/mln)

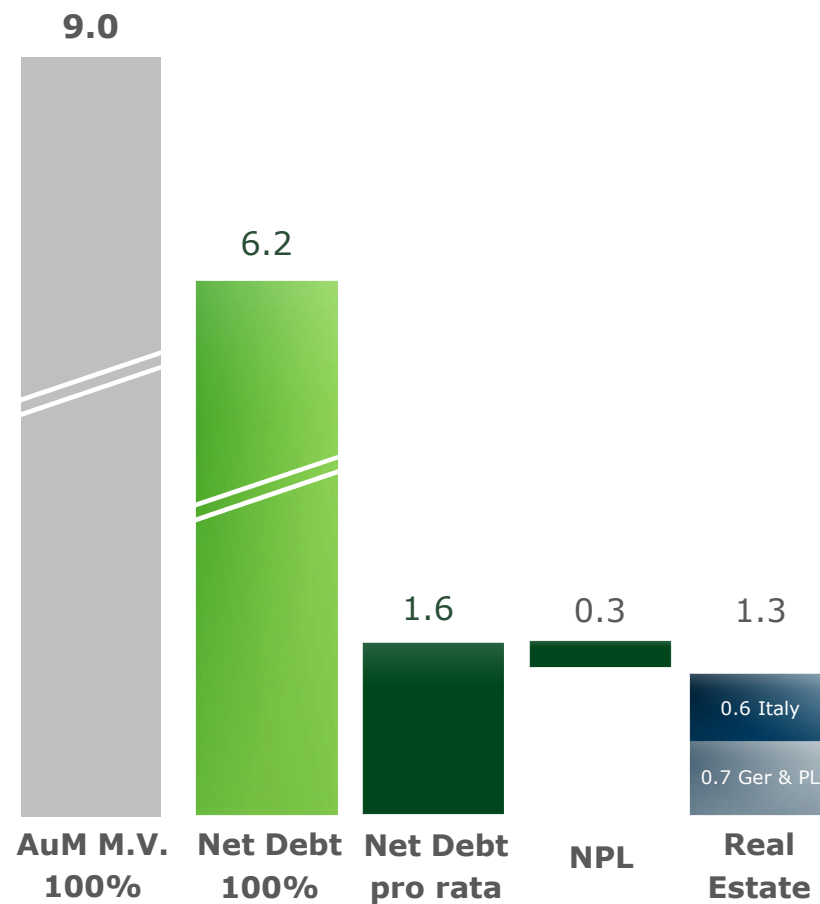
Net debt as of September 2012

LTV pro-rata Prelios 67%: Real Estate 60%



Net debt as of December 2011

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



Financial situation of co-investments

Bank Loan characteristics ¹⁾

- ❑ LTV Real Estate 60% : Italy 52%, Germany 72% (pro-rata Prelios)
- ❑ Average Duration 1.6 (1.6 pro-rata Prelios): Italy 1.2, Germany 1.8
- ❑ Average Spread : 235 bps (pro-rata Prelios)
- ❑ 75% interest rate risk hedged (pro-rata Prelios)
- ❑ Recourse guarantees for approx. 46.6€ mln (pro-rata Prelios)

1) Excluded NPL and subsidized loans

Consolidated Balance Sheet

(€/mln)

	SEPTEMBER 2012	DECEMBER 2011
Fixed assets	685.6	820.4
<i>of which participations and shareholders' loan</i>	523.6	651.6
<i>of which goodwill</i>	145.7	148.1
Net working capital	48.4	70.4
Inventories	52.8	55.3
Trade receivables	62.1	78.1
Trade payables	(54.6)	(74.9)
Other payables/receivable	(11.8)	11.9
Net invested capital	734.0	890.8
Net equity	153.7	326.2
<i>of which group net equity</i>	144.9	318.8
Funds	56.7	76.6
Net financial position	523.6	488.0
Total sources	734.0	890.8

▶ Annexes

Prelios Assets Breakdown as of September 2012

(€/mIn)

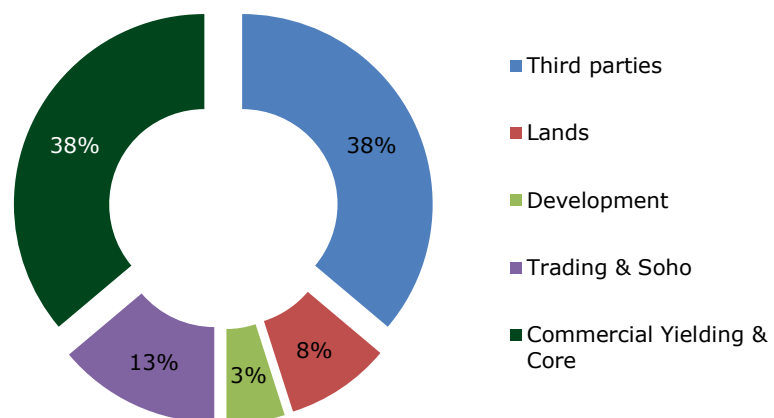
	Mkt. Value 100% 30.09.12	Book value 100% 30.09.12	Net debt 100% 30.09.12	Mkt. Value pro rata Prelios 30.09.12	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV pro rata	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP
ITALY	3,030	2,746	1,563	957	889	498	52%	459	335	-15.8
GERMANY	3,911	3,898	3,067	825	820	596	72%	229	177	1.1
POLAND	92	48	-1	31	16	-1	-2%	32	9	-0.4
TOTAL REAL ESTATE CO-INVESTED	7,033	6,692	4,629	1,813	1,725	1,093	60%	720	521	-15.1
THIRD PARTIES ITALY	1,873	1,727	421	26	23	14	55%	12	8	0.1
THIRD PARTIES GERMANY ¹⁾	1,414	1,414								
TOTAL REAL ESTATE	10,320	9,833	5,050	1,839	1,749	1,107	60%	732	529	-15.0
NPL (investment)									52	-34.6
MANAGEMENT PLATFORM									154	7.6
TOTAL PRELIOS									734	-41.9

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

Italy: Real Estate Assets Breakdown as of September 2012

(€/mIn)

	Mkt. Value 100% 30.09.12	Book value 100% 30.09.12	Net debt 100% 30.09.12	Mkt. Value pro rata Prelios 30.09.12	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	1,876	1,705	978	516	493	284	55%	232	182	1.4
TRADING & SOHO	612	539	420	217	191	141	65%	75	39	-6.9
DEVELOPMENT	130	120	-51	60	56	-4	-7%	64	44	-3.7
LANDS	413	382	216	164	149	77	47%	88	69	-6.6
TOTAL ITALY CO- INVESTED	3,030	2,746	1,563	957	889	498	52%	459	335	-15.8
THIRD PARTIES	1,873	1,727	421	26	23	14	55%	12	8	0.1
TOTAL ITALY	4,903	4,473	1,984	983	912	512	52%	471	343	-15.7



Germany & Poland: Real Estate Assets Breakdown as of September 2012

(€/mln)

	Mkt. Value 100% 30.09.12	Book value 100% 30.09.12	Net debt 100% 30.09.12	Mkt. Value pro rata Prelios 30.09.12	Book Value pro rata Prelios	Net Debt pro rata Prelios	LTV	NAV pro rata Prelios	NIC pro rata Prelios	EBIT+IEP+IIP
DGAG (Residential)	923	919	668	369	368	267	72%	102	73	2.0
HIGHSTREET (Commercial)	2,731	2,731	2,289	330	330	277	84%	54	43	0.0
Residential Small deals	117	116	79	59	58	40	68%	18	15	-2.6
Commercial & other	139	132	31	66	64	12	18%	55	45	1.7
TOTAL GERMANY CO- INVESTED	3,911	3,898	3,067	825	820	596	72%	229	177	1.1
THIRD PARTIES GERMANY (BAUBECON) ¹⁾	1,414	1,414								
TOTAL GERMANY	5,325	5,312	3,067	825	820	596	72%	229	177	1.1
TOTAL POLAND LANDS	92	48	-1	31	16	-1	-2%	32	9	-0.4

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

Management Platform Germany

(€/mln)

		SEPTEMBER 2012	SEPTEMBER 2011
Asset Management			
	Revenues	7.8	10.4
	Ebit	1.9	5.0
Agency			
	Revenues	5.4	2.4
	Ebit	2.7	0.3
Property/Facility			
	Revenues	29.1	29.6
	Ebit	2.4	1.6

Total			
	Revenues	42.3	42.4
	Ebit	7.0	6.9

Consolidated Cash Flow

(€/mln)

	SEPTEMBER 2012	SEPTEMBER 2011
PFN beginning of period (A)	488.0	424.0
Ebit before restructuring costs, reval./deval.	(8.1)	(0.9)
Depreciation	4.3	2.3
Change in investments and shareholders' loan	7.5	(15.0)
Change in other fixed assets	(1.0)	(0.8)
Change in NWC, Funds and Other	(6.5)	(15.5)
Free cash flow	(3.8)	(29.9)
Others changes	(11.5)	(13.1)
Interest income/expenses and taxes	(20.7)	(5.9)
Cash flow before dividends	(36.0)	(48.9)
Capital Increase / (Dividends)	0.4	(1.3)
Net cash flow (B)	(35.6)	(50.2)
PFN end of period (A-B)	523.6	474.2

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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