INTERIM FINANCIAL REPORT ON OPERATIONS
at MARCH 31, 2015

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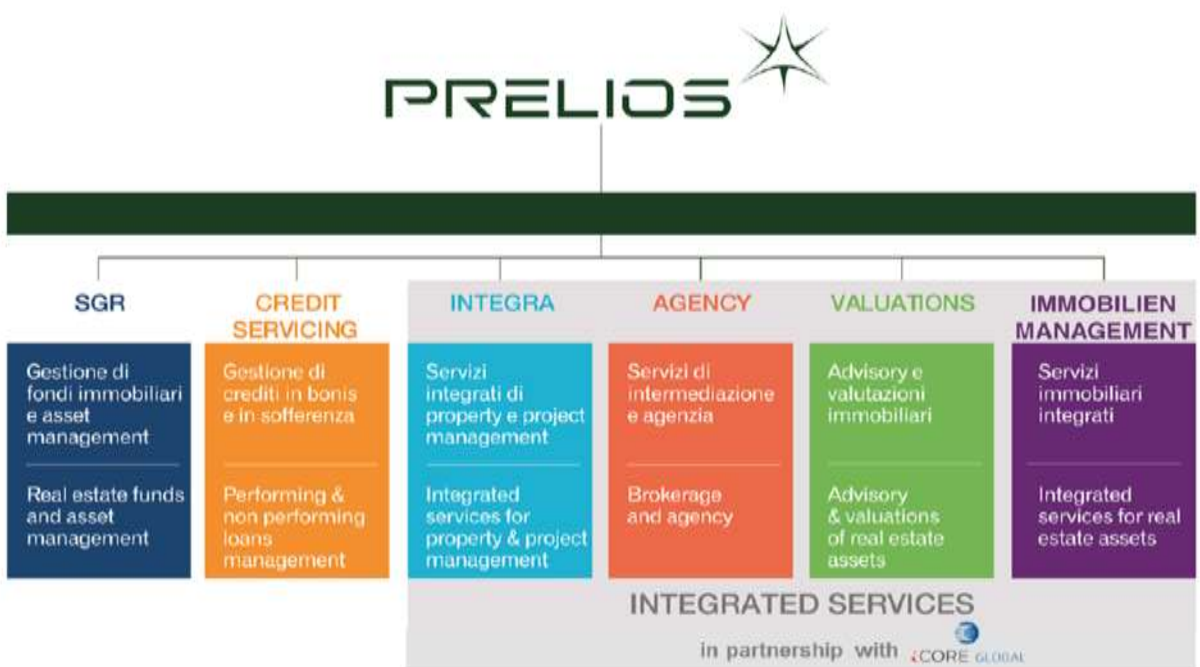
1. CORPORATE REVIEW

1.1. Group profile

Prelios is one of Europe's foremost asset management groups, offering a full range of real estate and financial services: the market value of its proprietary investments and assets under management is [1]Euro 5.4 billion. The Group has a qualified staff of approximately 400 professionals with significant professional expertise and a track record of excellence in their endeavours over the years within a competitive international scenario.

The mission of Prelios is the creation of value through active management.

Listed on the Italian Stock Exchange since 2002, the holding company Prelios S.p.A. coordinates six operating companies that together form a full-service, multi-award winning real estate network renowned for its quality, efficiency and reliability:



By contrast, co-investments, which will be divested, are managed by Prelios through its investments in funds and companies that hold real estate and non-performing loan portfolios.

[1] Co-investments and third-party assets under management, excluding NPLs at book value, are stated at market value at December 31, 2014, based on appraisals and analysis by independent experts.

At December 31, 2014, co-investments and third-party assets under management of Euro 5.4 billion[2] include property assets of Euro 5.2 billion (market value) and non-performing loans (NPLs) of Euro 0.2 billion (at book value).

In terms of the geographical distribution of real estate assets, Italy accounts for Euro 4.1 billion, primarily in 26 real estate funds managed by the subsidiary Prelios SGR, one of the leading players in the Italian real estate market.

The remainder of the portfolio is located in Germany (Euro 1.1 billion) and Poland (approximately Euro 0.1 billion).

1.2. Economic and financial highlights

Income statement data		MARCH 2015	MARCH 2014
Consolidated revenue		**16.0**	**17.1**
	of which services	*13.0*	*16.9*
	of which other	*3.0*	*0.2*
Operating profit/(loss)		**(6.9)**	**(5.3)**
	of which Management Platform & Holding	(3.1)	*(1.6)*
	of which Investment Activities	(3.8)	*(3.7)*
Restructuring costs		(0.6)	0.0
Property (write-downs)/revaluations		(0.6)	0.0
Group net income/(loss) before discontinued operations		**(7.6)**	**(12.5)**
Net income (loss) from discontinued operations		1.5	(0.9)
Group net income/(loss) for the period		**(6.1)**	**(13.4)**
Balance sheet data		**MARCH 2015**	**DECEMBER 2014**
Equity		100.1	107.3
	of which Group Equity	*97.7*	*104.8*
Net financial position		185.7	187.6
Indexes		**MARCH 2015**	**DECEMBER 2014**
Employees		443	468

[2] Co-investments and third-party assets under management, excluding NPLs at book value, are stated at market value at December 31, 2014, based on appraisals and analysis by independent experts.

2. CORPORATE BODIES

Board of Directors [3]

Giorgio Luca Bruno	Chairman
Massimo Caputi	Vice Chairman
Sergio Iasi	Chief Executive Officer (CEO)
Marina Brogi	Independent Director
Mirja Cartia d'Asero [4]	Independent Director
Francesco Umile Chiappetta	Director
Rosa Cipriotti	Independent Director
Carlo Emilio Croce	Independent Director
Moroello Diaz della Vittoria Pallavicini	Director
Andrea Mangoni	Independent Director
Davide Mereghetti	Director
Alessandra Patera	Director
Massimo Tezzon	Independent Director
Giovanni Jody Vender	Independent Director
Massimo Marinelli	Board Secretary

Internal Control, Risk and Corporate Governance Committee

Massimo Tezzon	Lead Independent Director – Chairman
Marina Brogi	Independent Director

[3] On May 8, 2013 the shareholders' meeting appointed the members of the Board of Directors and set their term of office at three years, and thus until the approval of the financial statements for the year ending December 31, 2015. At the end of the meeting, the Board of Directors appointed the executive officers, established the Board Committees and appointed the members of the Supervisory Board. On March 31, 2015, the independent director Claudia Bugno resigned from the Board of Directors due to new professional commitments that prevented her from continuing to serve on the Board.

[4] Appointed director by the shareholders' meeting on June 19, 2014.

Andrea Mangoni	Independent Director
Mirja Cartia d'Asero[5]	Independent Director

Remuneration Committee

Giovanni Jody Vender	Independent Director – Chairman
Rosa Cipriotti	Independent Director
Carlo Emilio Croce	Independent Director
Davide Mereghetti	Director

Board of Statutory Auditors [6]

Enrico Laghi	Chairman
Michela Zeme	Standing Auditor
Marco de Ruvo	Standing Auditor
Luca Aurelio Guarna	Alternate Auditor
Flavia Daunia Minutillo	Alternate Auditor

Supervisory Board

Massimo Tezzon	Chairman
Sergio Beretta	Member
Michela Zeme	Standing Auditor
Sergio Romiti	Member

Manager charged with preparing the Company's financial documents

Marco Andreasi [7]

[5] Appointed member of the Internal Control, Risks and Corporate Governance Committee by the Board of Directors on July 30, 2014.
[6] The shareholders' meeting on May 8, 2013 appointed the members of the Board of Statutory Auditors until the approval of the financial statements at December 31, 2015.
[7] On February 24, 2014 the Board of Directors of Prelios S.p.A. appointed Marco Andreasi the Company's new Chief Financial Officer and manager charged with preparing the company's financial documents pursuant to Art. 154-*bis* of the Consolidated Law on Finance.

Independent Auditors

Reconta Ernst & Young S.p.A.[8]

Via della Chiusa, 2

20123 Milan

[8] Appointment conferred by the shareholders' meeting on April 14, 2008.

3. PRELIOS' PERFORMANCE FOR THE FIRST QUARTER OF 2015

In February 2015, following agreements reached beginning in July 2014, Unicredit signed a long-term strategic agreement with the Fortress-Prelios consortium calling for:

- the sale of UniCredit's entire investment in UniCredit Credit Management Bank S.p.A. ("UCCMB") to Fortress affiliates, including a portfolio of non-performing loans of a gross amount of approximately Euro 2.4 billion;
- the main terms and conditions of a long-term strategic contract governing management of present and future small and medium-size non-performing loans.

Fortress and Prelios agreed to collaborate as industrial partners in managing certain non-performing loans.

The completion of the transaction is subject to regulatory authorisations and standard conditions applicable to similar transactions.

This agreement will contribute to rendering the Italian debt recovery servicing market more independent and represents a step forwards in the development of the industry, in line with other European countries.

On March 10, 2015 the Board of Directors preliminarily examined the conditions for the development and implementation of a project to reorganise the Group's operations involving the possible spin-off and de-consolidation of Prelios' Investments and Services divisions. The project is aimed at speeding the transition to a pure management company model, while also shoring up both divisions' balance sheets and cash flow statements. The spin-off procedure, which would make Prelios a pure management company, is strategic and of significant interest to the Company, which could thus overcome several obstacles that have heretofore prevented the full growth of the Management Platform, in addition, it is hoped, to increased synergy with present and future major shareholders.

The Board of Directors therefore authorised the management to move forward, hold negotiations with the parties currently involved and/or to be involved in the project and identify the structure, terms and conditions of the possible transaction. Complete implementation of the project, contingent upon consent from the shareholders and lenders, would result in achievement of the objectives identified in the turnaround procedure one year in advance of the 2014-2016 Industrial Plan, thereby ensuring the Company greater, better access to capital markets with a business model unique in Italy and competitive in Europe.

On March 10, 2015, the Company's Board of Directors approved the 2015 Budget and 2016-2017 Outlook, which forecast that possible extraordinary transactions involving the Group's investment portfolio currently being studied may result in a considerable boost, the significant effects of which will begin to become visible in 2016, due to the following market conditions, which to date have severely limited the Groups' business activity:

- substantial break-even and financial stability, in keeping with the turnaround objectives being pursued;
- renewed access to credit for the launch of new investment vehicles and pro-active collaboration with the banking system.

On the basis of the indications provided in the 2015 Budget and the 2016-2017 Outlook, individual Group companies will primarily be guided by two main directives:

- growing the asset management business by acquiring new assets, to be used to package new products for distribution to Italian and international investors and/or existing funds, through either the direct acquisition of products from other management companies or mergers with such companies offering (i) a range of complementary products, (ii) a complementary ownership structure and (iii) relationships with leading investors;
- consolidating the open-market strategy pursued by Prelios Credit Servicing to ensure sustainable growth, developing extraordinary transactions with upfront fees to finance growth and developing soft equity co-investment in partnership with other investors in small-/medium-size portfolios to seize important opportunities deriving from the real estate market cycle;
- expanding the non-captive client basis of the Integrated Services Business Unit, improving margins and consolidating leadership in Italy in a wide range of services, with the aim of being perceived as the only full-service player on the Italian market;
- repositioning the German platform as a national player focusing on higher added value services for international investors, responsible for unified management in Germany and Poland.

Although significant disinvestments are expected as early as 2015, the 2015 Budget and 2016 - 2017 Outlook continue to project operating losses of sufficient amounts to result in a significant decrease in equity and negative cash flow that, while not resulting in a deficit during the plan period, will continue to cause financial tension that will need to be closely and constantly monitored.

During the first quarter of 2015, Prelios acquired approximately 39% of Officinae Verdi S.p.A., Italy's leading operator in energy efficiency, with projects worth over Euro 150 million under development in the next three years. Officinæ Verdi energy efficiency improvement projects are based on an integrated model combining high technical and financial skills.

4. NOTES ON MAIN GROUP ECONOMIC AND FINANCIAL DATA

This section contains an analysis of the income statement, balance sheet and cash flow statement of the Group as at and for the three-month period ended March 31, 2015. For the purposes of the balance sheet management analysis in paragraph 4.1, non-accounting indicators (non-GAAP measures) have been used, generally adopted by the management to monitor and evaluate the Group's performance. The aim is to present the Group's results from operations, net of transactions which, by their nature or amount, are unusual, and changes in value of the real estate portfolio, thereby ensuring a greater degree of comparability of the results and the information over time with other leading operators which apply similar non-GAAP measures.

These measures are derived from the combination or reclassification of accounting data and are applied to disaggregate financial figures based on the nature of the events which led to their origination. Non-GAAP measures are also included in the balance sheet and financial position analysis in paragraph 4.2. Since these are, in the case of balance sheet items, measures that are widely used in financial reporting, directly attributable to the accounting data contained in the main financial statements, it was not necessary to supplement the management analysis with a specific note concerning these.

Specifically, the following non-GAAP measures were calculated considering the following items: "Restructuring costs" and "Property write-downs/revaluations", as illustrated more fully in the paragraph below.

The measure that best reflects the business performance of the Management Platform and Investment Activities of the Group is "Operating profit/(loss)", consisting of EBIT including net income from investments and income from shareholder loans before restructuring costs and property write-downs/revaluations.

Following the agreement reached by the joint venture Solaia RE S.à.r.l. for the disposal of the investments held in the real estate companies holding the German residential portfolio called DGAG (Deutsche Grundvermögen AG), the financial figures for the first quarter of 2015 presented and commented on below do not include the figures pertaining to the German business unit to be disposed of. Indeed, in accordance with IFRS 5, these figures have been reclassified to a specific line related to assets/liabilities held for sale.

4.1. Income statement

(Euro/milion)	MARCH 2015	MARCH 2014
Consolidated revenues:	16.0	17.1
of which services	*13.0*	*16.9*
of which others	*3.0*	*0.2*
Management platform: operating result before restructuring costs, impairment and property writedowns/revaluations	(3.1)	(1.6)
Total Management Platform: Operating result	**(3.1)**	**(1.6)**
Investment activities: operating result before restructuring costs, loss from NPL portfolio valuation and property writedowns/revaluations	(2.7)	(2.8)
Investment activities: net income from equity investments before restructuring costs, loss from NPL portfolio valuation and property writedowns/revaluations	(2.1)	(2.8)
Investment activities: income from shareholder loans (1)	1.0	1.9
Total Investment Activities: Operating result	**(3.8)**	**(3.7)**
Operating result	**(6.9)**	**(5.3)**
Financial expenses	0.9	(5.9)
Profit (loss) before restructuring costs, property writedowns/revaluations and income taxes	**(6.0)**	**(11.2)**
Restructuring costs	(0.6)	0.0
Property writedowns/revaluations	(0.6)	0.0
Result before taxes	**(7.2)**	**(11.2)**
Taxes	(0.4)	(1.3)
Net income (loss) from continuing operations	**(7.6)**	**(12.5)**
Minority interests	0.0	0.0
Consolidated net income/(loss) before discontinued operations	**(7.6)**	**(12.5)**
Net income (loss) from discontinued operations	1.5	(0.9)
Consolidated net income/(loss)	**(6.1)**	**(13.4)**

'(1) This amount consists mostly of interest income on financial receivables due from associates and joint ventures.

Consolidated revenue amounted to Euro 16.0 million for the period ended March 31, 2015, compared to Euro 17.1 million in the first quarter of 2014. Specifically, revenue from the Italian and foreign Management Platform amounted to Euro 13.0 million, down on the Euro 16.9 million for the first quarter of 2014. The decrease is mainly due to the Italian service companies and non-performing loans (NPLs).

The operating loss amounted to Euro 6.9 million compared to the loss of Euro 5.3 million for the first quarter of 2014.

Financial income for the first quarter of 2015 amounted to Euro 0.9 million, compared to financial expense of Euro 5.9 million for the first quarter of 2014. The improvement is mainly due to the gain on the repayment of the loan with UBI Banca on a lump sum basis.

Restructuring costs for the period ended March 31, 2015 amounted to Euro 0.6 million (nil in the first quarter of 2014) and refer to costs for the Group's streamlining.

Property write-downs/revaluations for the first quarter of 2015 are negative by Euro 0.6 million (nil in the first quarter of 2014).

Taxes, which totalled Euro 0.4 million compared with Euro 1.3 million for the period ended March 31, 2014, mostly relate to companies in Italy. The balance mainly comprises changes in deferred taxes and IRAP (regional tax on productivity).

The net loss attributable to the Group for the period ended March 31, 2015 amounted to Euro 6.1 million compared with a reported loss of Euro 13.4 million for the period ended March 31, 2014.

Management Platform [9]

Management activities (fund and asset management), specialist property and project management and agency services and non-performing loan management services (credit servicing), including overheads and administrative costs, generated a loss of Euro 3.1 million for the period ended March 31, 2015, compared to a loss of Euro 1.6 million for the same period of the previous year.

Investment Activities[10]

In the first quarter of 2015, investment activities incurred an operating loss of Euro 3.8 million, compared to a loss of Euro 3.7 million for the same period of the previous year.

***

During the first quarter of the year, properties[11] worth Euro 264.6 million (Euro 33.7 million on a pro-rata basis) were sold, compared to Euro 121.7 million in the first quarter of 2014 (Euro 50.8 million on a pro-rata basis). Property transactions were conducted at values substantially in line with the book value.

Total rents[12] were Euro 39.8 million in the first quarter of 2015 compared to Euro 60.5 million for the period ended March 31, 2014. Prelios' pro-rata share of rents was Euro 10.8 million (Euro 17.9 million in the first quarter of 2014).

For a more detailed analysis of the results of the various components by geographical area, both for the funds and investment companies and the Management Platform, including general and administrative expenses, please see the relevant section.

[9] Net income from the Management Platform means earnings generated by the Group through fund and asset management activities, specialised real estate services (Property & Project Management and Agency), NPL management services (credit servicing) and general and administrative expenses.
[10] Investment Activities include income generated by Prelios from its investments in funds and companies that hold real estate and non-performing loan portfolios.
[11] The value was determined by adding property sales made by consolidated companies to 100% of the property sales of associates, joint ventures and funds in which the Group held at least a 5% stake at March 31, 2015.
[12] The value is determined by adding the rents collected by consolidated companies to 100% of the rents of associates, joint ventures and funds in which the Group held a stake of at least 5% at March 31, 2015.

4.2. Balance sheet and financial position analysis

The following table presents a management view of the balance sheet at March 31, 2015, compared with December 31, 2014.

(Euro/milion)	MARCH 2015	DECEMBER 2014
Property, plant and equipment and intangible asses	**332.6**	**334.2**
of which investments in real estate funds and investment companies and shareholder loans granted (1)	*257.9*	*273.6*
of which goodwill	*56.4*	*56.4*
Net working capital	**17.0**	**17.0**
Discontinued operations	**3.6**	**12.2**
Net invested capital	**353.2**	**363.4**
Consolidated Equity	**100.1**	**107.3**
of which Group equity	97.7	104.8
Provisions	**67.4**	**68.5**
Net financial position from operating activities	**185.7**	**187.6**
Liabilities relating to discontinued operations	**0.0**	**0.0**
Total covering net invested capital	**353.2**	**363.4**

(1) The item includes equity investments in associates, joint ventures and other equity investments (144.0 million euro), receivables for shareholder loans (99.5 million euro), investments in real estate funds (10.0 million euro, recognised among "Other financial assets" in the consolidated balance sheet) and junior notes (4.8 million euro, recognised among "Other financial assets" in the consolidated balance sheet). The figures for March 2015 include provisions for equity investment writedowns of 0.4 million euro (unchanged compared to December 2014).

Property, plant and equipment and intangible assets amounted to Euro 332.6 million as at March 31, 2015, compared to Euro 334.2 million as at December 31, 2014. The decrease is due to the repayment of principal by the Olinda fund (Euro 6.0 million), the actual results of joint ventures (Euro 2.7 million), which include the pro-rata net negative effect pertaining to the Prelios Group (Euro 0.6 million) due to property write-downs, and the net decrease in shareholders' loans (Euro 8.8 million). These changes were partially offset by an increase in guarantee deposits for escrow accounts of Euro 14.0 million related to Prelios SGR which guarantee the obligations to pay compensation to Olinda fund investors, related, in particular, to the statements and guarantees issued on the condition and quality of the properties to be transferred.

At March 31, 2015, Net working capital amounted to Euro 17.0 million. The balance is unchanged compared to that at December 31, 2014.

Discontinued operations refer to assets held for sale pursuant to IFRS 5, according to the estimates of residual cash distributions from the sale of the DGAG Group.

Consolidated equity was a positive Euro 100.1 million, and equity attributable to the Group was a positive Euro 97.7 million. The change on December 31, 2014 is mainly due to the loss for the period.

Net financial position was a net debt of Euro 185.7 million at March 31, 2015, compared to a net debt of Euro 187.6 million at December 31, 2014.

The graph illustrates the combined effect of events that had an impact on the change in net financial position in the first quarter of 2015.

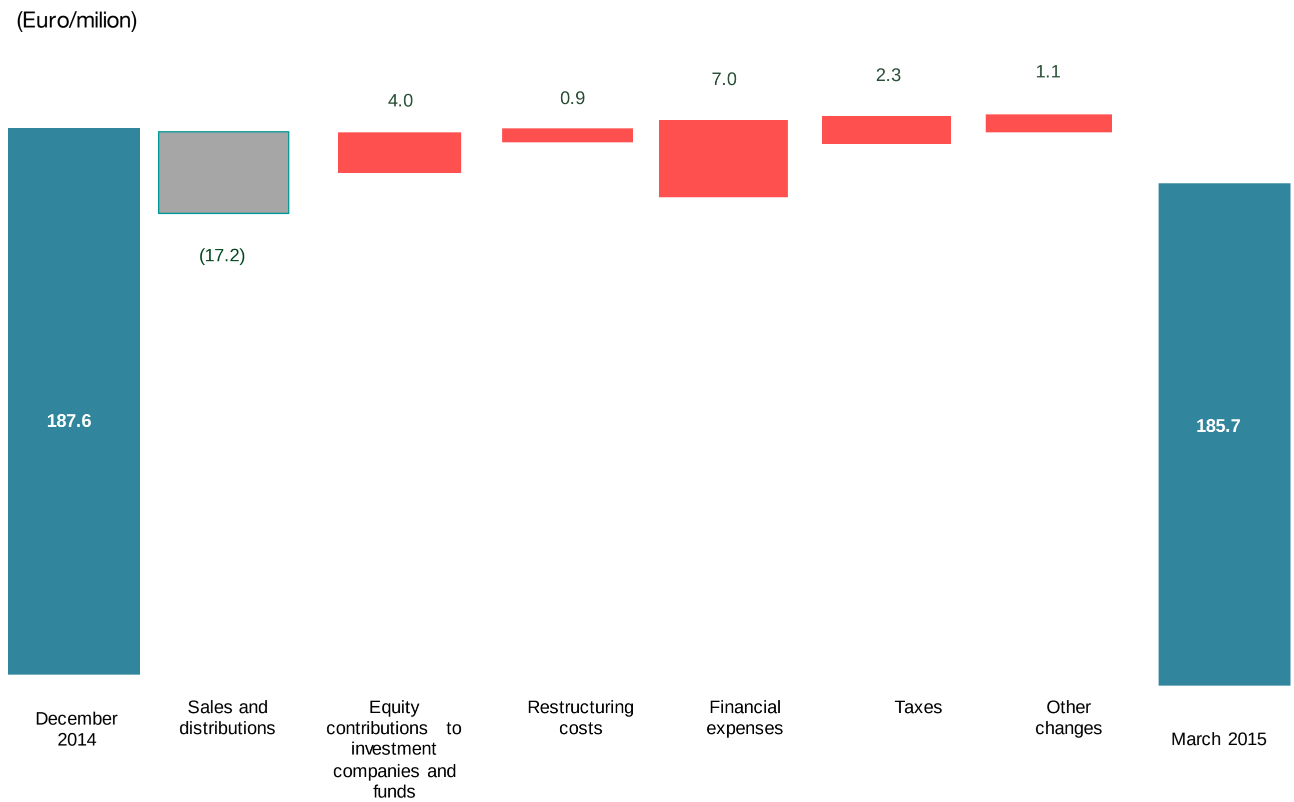
The improvement on December 31, 2014 of Euro 1.9 million was mainly due to the following:

- cash flows generated from sales and distribution by the investment company for Euro 17.2 million;

Conversely, the following events had a negative impact on net financial position:

- equity contribution to investment companies and funds (Euro 4.0 million);
- restructuring costs (Euro 0.9 million);
- financial expenses (Euro 7.0 million, of which Euro 4.1 million without monetary impact);
- taxes for Euro 2.3 million;
- other events partly linked to changes in net working capital for Euro 1.1 million;

The following table illustrates the main changes in net financial position for the period.



5. PERFORMANCE OF THE BUSINESS DIVISIONS

This section provides an account of the financial performance of the Real Estate division (by geographical area) and the NPL division, broken down into the income and expenses generated by the Management Platform and the income and expenses generated by Investment Activity[13]. The operating profit/(loss) included and discussed in the following tables corresponds to that set out in paragraph 4 of this report.

Unless otherwise specified, all amounts are in millions of euro.

The table below gives an overview of operating profit/(loss) by geographical area.

	Italy		Germany		Poland		NPL		G&A		Total	
	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014
Management platform	0.0	1.6	0.8	0.5	(0.1)	(0.2)	(1.1)	0.3	(2.7)	(3.8)	**(3.1)**	**(1.6)**
Investment activities	(2.0)	(2.5)	(1.1)	(0.7)	(0.7)	(0.5)	0.0	0.0	0.0	0.0	**(3.8)**	**(3.7)**
Operating profit / (loss)	**(2.0)**	**(0.9)**	**(0.3)**	**(0.2)**	**(0.8)**	**(0.7)**	**(1.1)**	**0.3**	**(2.7)**	**(3.8)**	**(6.9)**	**(5.3)**

For the interpretation of the data contained in the following tables by country, it should be noted that the amount of revenue refers to fully consolidated service companies, but does not include the consolidated revenue of investment initiatives.

5.1. Real Estate Italy

The Real Estate Italy business (Management Platform and Investment Activities) reported an operating loss in the first quarter of 2015 of Euro 2.0 million, compared with a loss of Euro 0.9 million in the first quarter of 2014.

<u>Management Platform</u>

The operating performance at March 31, 2015 was null compared with a profit of Euro 1.6 million in the same period of 2014.

Regarding the performance of the Management Platform, the major events that affected the individual Cash-Generating Units are highlighted.

[13] Net income from Investment Activities means income generated by Prelios from its investments in funds and companies that own real estate portfolios; net income for the Management Platform refers to income generated through fund and asset management and specialised real estate services (property and project, agency and facility) and services related to the management of NPL (credit servicing), including general and administrative expenses.

Fund Management	March 31, 2015	March 31, 2014
Revenue (millions of euro)	3.8	5.1
Operating profit/(loss) (millions of euro)	0.4	1.2
ROS	12%	24%
Number of funds managed	26	25
Co-Invested and Third-party Real Estate Assets (*)	3.5	3.7
Number of employees (**)	71	71

(*) Market value as at December 2014 in billions of euros, expressed on a 100% basis, including the portfolio of Excelsia 9
(**) Including seconded staff from other Group companies

Prelios Società di Gestione del Risparmio S.p.A. (”Prelios SGR”), 90% owned by Prelios S.p.A. and 10% by Intesa Sanpaolo S.p.A., specialises in the creation and management of closed-end real estate investment funds.

At March 31, 2015, Prelios SGR managed a total of 26 funds, of which 13 are ordinary (one of them listed) and 13 speculative, as well as a management contract for the divestment of a real estate portfolio.

Revenue, essentially represented by fixed management fees, was Euro 3.8 million. The decrease on the first quarter of 2014 is primarily due to the sale of the Olinda Fund and the reduction in the fees of the Tecla Fund, in relation to which the extraordinary extension was exercised.

The operating profit for the first quarter of 2015 was Euro 0.4 million, compared with Euro 1.2 million in the same period of 2014. The decrease is directly attributable to the reduction in revenue, partly offset by ongoing cost containment measures, both of a structural and occasional nature.

With respect to the development of new initiatives, during the period, the Company established the new Aurora equity fund and was awarded the management of an additional equity fund. Both funds are reserved to leading institutional investors.

In Italy, the real estate brokerage and valuation services are carried out by the subsidiaries Prelios Agency S.p.A. and Prelios Valuations E-Services S.p.A..

Agency	March 31, 2015	March 31, 2014
Revenue (millions of euro)	0.4	0.7
Operating profit/(loss) (millions of euro)	(0.6)	(0.2)
Volume of business (millions of euro)	10.6	10.8
Number of employees	19	20

Within the Prelios Group, Prelios Agency S.p.A. is the company that specialises in professional advisory services for the purchase and sale or lease of individual units and entire properties for office, residential, industrial, logistics and retail use. The Company offers a range of brokerage and advisory services for purchases, sales and leases, ranging from the analysis of the customer’s needs to monitoring the market, handling negotiations and providing contractual assistance.

The period saw the continuation of the process of transformation from a company primarily dedicated to captive customers to a broker and advisor capable of providing third party customers with highly specialised services and a strategic partner in real estate brokerage for investors of a public or private nature, as well as for real estate funds and institutional operators.

In particular, during the first quarter of 2015, the Company was awarded new contracts and renewed a number of commercialisation agreements worth approximately Euro 277 million. Furthermore, it was assigned new important leases of approximately 2,000 sqm worth roughly Euro 0.5 million.

Furthermore, also following an invitation to tender, the Cassa Nazionale di Previdenza e Assistenza dei Dottori Commercialisti ("CNPADC" - the Italian social security fund for chartered accountants) awarded the Company the contract to sell a property in Naples.

Revenue decreased from Euro 0.7 million in the first quarter of 2014 to Euro 0.4 million in the first quarter of 2015. The slight decrease is due to the reduction in lease income.

The Company's brokered volumes amounted to Euro 10.6 million, compared to Euro 10.8 million in the first quarter of 2014.

Operating loss was Euro 0.6 million for the first quarter of 2015, down from a loss of Euro 0.2 million in the first quarter of 2014. The worsening is due to the decrease in revenue.

At March 31, 2015, the portfolio of sales mandates amounted to approximately Euro 2.9 billion[14], of which roughly Euro 1.9 billion from third party customers.

Valuations	**March 31, 2015**	**March 31, 2014**
Revenue (millions of euro)	1.1	1.2
Operating profit/(loss) (millions of euro)	-	0.4
ROS	0%	33%
Number of Loan Service valuations	approx. 8,000	approx. 5,000
Number of employees	13	22

The subsidiary Prelios Valuations & e-Services S.p.A. is one of Italy's foremost independent providers of valuations for individual properties and real estate portfolios in the service and residential segments. With over 20,000 appraisals in 2014, it is also a leading provider in Italy of valuation services for banks (loan services).

Revenue amounted to Euro 1.1 million for the first quarter of 2015, compared to Euro 1.2 million in the same period of 2014.

The Company is currently under contract to conduct approximately 35,000 appraisals per year, considering the recent confirmation by UniCredit of the award of the tender for appraisal of the properties underlying applications for corporate mortgage loans, the contract signed with BNL for the retail and small business and corporate areas, and the new appraisal business from Banca Popolare dell'Emilia Romagna (BPER).

The Ing Direct and Deutsche Bank - Banco Poste contracts continued to yield consistent volumes, with the promise of growth for the latter over the next two to three years.

[14] List price.

In business other than appraisals for new mortgage loans, attention should be drawn to the Company's services in the field of appraisals in support of property leases and repossessions.

With respect to the full appraisal business, services continued to be provided to both asset management companies/real estate funds and custodian banks.

Services are also provided to investors, large companies and banks, for both institutional assets and private banking holdings. The Company also provides ongoing appraisal service to market players of high standing, including Credit Suisse, UBS, Barclays, Fondo Previdenza Cassa di Risparmio Firenze, and Fiat Chrysler Automobiles (FCA).

The mass appraisals segment showed slight growth compared to the first quarter of 2014, including thanks to the statistical revaluation of large real estate portfolios.

Finally, during the first quarter of the year, the Company won the following tenders:

- Unicredit (UBIS): tender for the supply of corporate appraisals for Unicredit S.p.A.;
- REAM SGR: independent expert of the Social & Human Purpose Fund, exclusively held by a number of Bank Foundations of the Piedmont Region and dedicated to investments in properties used for collective social purposes.

Integra	**March 31, 2015**	**March 31, 2014**
Revenue (millions of euro)	4.2	4.4
Operating profit/(loss) (millions of euro)	0.2	0.2
ROS	5%	5%
Value of assets under management (billions of euro)	4.9	4.9
Floor area managed (in millions of m^2)	5.4	4.9
Rental units managed	approx. 33,000	approx. 29,000
Leases managed	approx. 6,000	over 2,800
Passing Rent (millions of euro)	approx. 225	over 242
Number of employees	86	85

In Italy, integrated property management services are carried out by Prelios Integra S.p.A., a wholly owned subsidiary of Prelios.

Prelios Integra is one of Italy's leading operators in integrated property management and project development services, with Euro 5 billion in assets under management, representing over 5.4 million square metres.

Prelios Integra offers integrated, active and dynamic asset management service (asset, property, project and facility management) aimed at increasing value for public and private clients, from administrative and accounting management of properties, to relationships with tenants, technical and maintenance services and sales search and support.

As part of its development and project management activities, Prelios Integra takes care of all the planning and construction phases of a building or property development, from designing the concept to turnkey delivery of the finished product. Prelios Integra has distinctive expertise in the field of sustainability: from development of new environmentally friendly buildings to green retrofitting, energy certification and renewable energy.

In 2015, the Company continued the process begun in the previous year of transforming itself from a business unit with primarily captive clients to a service provider capable of competing on the market independently from the Group, acquiring and developing non-captive clients with strategic external growth objectives.

The main fronts on which the Company is currently involved are:

- development of activities with shareholder banks;
- enhancing corporate real estate services, not just for the owners, but also for the tenants of properties (with particular regard to local networks of banks and retailers);
- strengthening its presence as service provider to real estate asset management companies;
- strengthening relationships with major industrial and non-financial service groups (Eni, Enel, Telecom and Vodafone).

More generally, in the first quarter of 2015, the Company managed real estate assets equivalent to approximately 6,000 lease contracts. The Group's main external clients were: INPS, Telecom Italia, Excelsia Nove, Prisma SGR, Gruppo Unicredit, Namira SGR, A2A, Gruppo Gianni, Novartis Farma, AXA Reim SGR, Eni Servizi, Wind and Enel Energia.

Revenue amounted to Euro 4.2 million for the first quarter of 2015, slightly down on the Euro 4.4 million in the same period of 2014.

Operating profit amounts to Euro 0.2 million and is in line with the actual figure for the first quarter of 2014.

Furthermore, during the quarter, the Company assisted various clients with the process of disposing of and/or enhancing and valuating their properties (e.g., Unipol Sai, Agris Fund, Asci Fund and Aurora Fund).

During the first quarter of 2015, the Company won the following tenders:

- CDPI SGR: tender for the performance of a feasibility study, the urban design and the preparation of all drawings necessary to obtain the urban certification for a property in Diano Castello (IM) known as the "former Caserma Camandone";
- CDPI SGR: tender for the performance of a feasibility study, the urban design and the preparation of all drawings necessary to obtain the urban certification for a property in Albenga (SV) known as the "former Caserma di Piave".

The Company also participated, directly or in consortia with other companies, in the following tenders, the outcomes of which have yet to be announced:

- Unicredit (UBIS): “Unicredit Subito Casa" - tender to award a two-year framework agreement governing all professional activities related to the filing and management of the administrative procedures to obtain the authorisations for the temporary display of signs;
- ENI: urban and building design services;
- Unicredit (UBIS): project services and restructuring works of premises to be used as agencies and/or offices involving owned properties or properties leased from third parties;

- State Property Office: ordinary and extraordinary maintenance on the properties used by State Administrations and properties where maintenance is managed by the State Property Office.

Finally, in December 2014, the Competition and Market Supervisory Authority ("AGCM") assigned the Company a "Legality Rating" with a score of two stars++. This score may be considered an excellent result, given that the rating ranges from a minimum of 1 to a maximum of 3 stars, and is in addition to previous certification, such as SOA certification, renewal of the ISO9001:2008 Quality certification, BS OHSAS 18001 certification of the workplace health and safety management system, ISO 14001 certification for the environmental management system and SA 8000 certification for social responsibility.

Investment Activities

Net income from investment activities, geared towards disposal, continued to be affected by the critical issues of the Italian real estate market. The investments held by Prelios through its investments in funds and companies holding portfolios of real estate and non-performing loans are also often subject to the determinations of the majority partners.

The operating loss in the first quarter of 2015 was Euro 2.0 million, compared with a loss of Euro 2.5 million in the same period of 2014.

The market environment remains fragile, with few transactions and falling prices, preventing coverage of operating and financial costs by investment companies. Therefore, Investment activities continued to post a loss.

Property sales in the first quarter of 2015 (considering the properties of associates, joint ventures and funds in which the Group holds an interest on a 100% basis) amounted to Euro 3.6 million (Euro 8.0 million in the same period of 2014).

On the whole, property transactions were undertaken at levels essentially in line with their book value.

Total rents[15] were Euro 20.1 million (Euro 33.3 million for the period ended March 31, 2014).

[15] The value is determined by adding the rents collected by consolidated investment companies to the rents of associates, joint ventures and funds in which the Group holds an interest.

5.2. Real Estate Germany

The Real Estate Germany business (Management Platform and Investment Activities) reported an operating loss of Euro 0.3 million in the first quarter of 2015, compared with a loss of Euro 0.2 million in the same period of 2014.

Management Platform

Germany	March 31, 2015	March 31, 2014
Revenue (millions of euro)	2.6	2.9
Operating profit/(loss) (millions of euro)	0.8	0.5
ROS	31%	17%
Floor area managed (in millions of m^2) (*)	approx. 1.0	approx. 1.0
Number of rental units managed (*)	72	83
Co-Invested and Third-Party Real Estate Assets (**)	1.1	1.4
Number of employees	63	82

(*) Not including units/floor areas relating to car parks.
(**) Market value in billions of euro on a 100% basis.

Revenue fell from Euro 2.9 million in the first quarter of 2014 to Euro 2.6 million in the same period of 2015. The decrease is mainly due to the loss of certain contracts which expired at the end of 2014.

Operating profit for the service platform only was Euro 0.8 million for the period ended March 31, 2015, up from Euro 0.5 million in the first quarter of 2014.

Investment Activities

Operating loss was Euro 1.1 million in the first quarter of the year, compared with a loss of Euro 0.7 million in the same period of the previous year.

Property sales in the first quarter of 2015 (considering the properties of associates, joint ventures and funds in which the Group holds an interest on a 100% basis) amounted to Euro 261.0 million, compared to Euro 113.7 million in the first quarter of 2014.

For the Highstreet portfolio, in which Prelios holds a 12.08% interest indirectly, through Sigma RE B.V., sales amounted to approximately Euro 258.5 million, with the most significant relating to two commercial-use buildings located in Wiesbaden (Kirchgasse) and Munich (Bahnofplatz).

In the first quarter of 2015, property transactions took place at values in line with book value, similarly to the same period of the previous year.

Total rents were Euro 19.7 million, compared with Euro 27.2 million in the first quarter of 2014.

5.3. Real Estate Poland

The Poland real estate business (Management Platform and Investment Activities) reported a negative EBIT of Euro 0.8 million which is substantially in line with the figure for the first quarter of 2014 (Euro 0.7 million),

Management Platform

Poland	March 31, 2015	March 31, 2014
Revenue (millions of euro)	0.1	0.1
Operating profit/(loss) (millions of euro)	(0.1)	(0.2)
Floor area managed (in millions of m^2) (*)	0.3	0.4
Co-Invested and Third-Party Real Estate Assets (**)	58.9	0.1
Number of employees	7	10

(*) The figure refers to the Lucchini site managed by the company Bielany Project Management, 40% owned by Prelios
(**) Market value expressed in billions of euro on a 100% basis. The Poland area refers to the sole investment held directly and indirectly by the Company through the investee Polish II and represents the property component underlying that investment only (a plot of land located in the Bielany district of Warsaw). Please note that, with regard to the cash held by the investee Polish II, the total carrying value for the period (equity investment plus shareholders' loan) would be approximately Euro 42 million at market value.

The Management Platform's EBIT was a negative Euro 0.1 million, a slight improvement on 2014.

Investment Activities

The net loss from investments was Euro 0.6 million in the first quarter of 2014, compared with a loss of Euro 0.5 million for the period ended March 31, 2014.

5.4. Non-performing loans

The non-performing loan business (Management Platform and Investment Activities) reported an operating loss of Euro 1.1 million for the period ended March 31, 2015, compared with a positive Euro 0.3 million in the same period of 2014.

Management Platform

NPL	March 31, 2015	March 31, 2014
Revenue (millions of euro)	1.2	2.6
Operating profit/(loss) (millions of euro)	(1.1)	0.3
Receipts (millions of euro)	3.6	7.0
Gross book value (billions of euro)	9.0	8.5
Number of NPL managed	over 75,000	over 75,000
Number of employees	60	64

Prelios Credit Servicing (PRECS) is one of the main players in the field of managing and optimising non-performing loans and operates as a financial intermediary pursuant to Art. 107 of the Consolidated Law on Banking.

PRECS currently manages a portfolio of non-performing loans with a gross book value of approximately Euro 9.0 billion.

The Company appraises portfolios of NPLs and has participated in many rounds of due diligence on the purchase of significant loan portfolios by Italian and international investors of high standing, with which it has formed commercial partnerships.

The Company also acts as advisor for the securitisation of NPL portfolios and the sale of packages of loans on behalf of the financial institutions that own the loans.

Through a subsidiary, PRECS also provides consultancy and coordination services for the disposal of properties owned by leading financial institutions. Such consulting and coordination services are also provided to banks, for the recovery of mortgage loans out of court, through the disposal of the borrowers' real estate assets.

In offering the services described above, the Company acts through a highly specialised organisation that combines financial, real estate and legal skills and guarantees coverage of all of Italy through external networks of lawyers and real estate professionals.

Since, as mentioned above, the company is registered in the special list of financial intermediaries pursuant to Art. 107 of the Consolidated Law on Banking, it provides master servicing services, such as collection and payment management, review of transaction compliance with the law and securitisation contracts, monitoring and periodic reporting for investors and the Bank of Italy and reports to the Risks Database.

Generally, when the Company acts as master servicer, it also assumes responsibility for managing administrative, tax and corporate matters for the securitisation vehicle (corporate servicing).

Finally, Prelios Credit Servicing can act as calculation agent, note holder representative and portfolio manager.

Specifically, during the first quarter of 2015, the Company participated in important rounds of due diligence with the involvement of international investors for the acquisition of NPL portfolios (mortgage loans, unsecured loans and leases) and obtained portfolio management contracts with a gross book value of approximately Euro 500 million.

Revenue for the first quarter of 2015 amounted to Euro 1.2 million, down on the Euro 2.6 million for the same period of 2014. The decrease is due to the finalisation of the consensual signing of special servicing contracts (AUM of approximately Euro 4 billion) following the Company's disposal of its interest in DGAG International S.à.r.l., the main investor in the managed vehicles, and the lack of non-recurring revenue items. Indeed, 2014 revenue benefited from components such as termination fees (Euro 0.2 million) and success fees (Euro 0.5 million) for management activities related, in whole or in part, to portfolios no longer included in the scope of operations.

The operating loss for the first quarter of 2015 amounts to Euro 1.1 million, compared to a profit of Euro 0.3 million for the same period of the previous year. The difference fully reflects the above-mentioned decrease in revenue.

Collections during the reporting period on behalf of clients amounted to approximately Euro 3.6 million compared to Euro 7.0 million in the same period of the previous year: the difference proportionally reflects the decrease in the volumes managed following the reorganisation of the managed scope.

As master servicer, the Company is rated by two agencies, Standard & Poor's and Fitch, which in 2014 continued to express positive judgements, namely above average and RSS2/CSS2, respectively.

Also as master servicer, the rating assigned by Standard & Poor's in 2014 was Above Average.

Investment Activities

During the period, no NPL portfolio valuation losses were recognised following the impairment of a junior security held by the parent company, related to a portfolio with underlying mortgage loans.

6. SUBSEQUENT EVENTS

After the reporting date, the Company, in order to speed up the achievement of its objective of repositioning itself as a pure management company and in light of the possible change of the scope of the Group's operations, continued the analysis of a possible spin-off of the investments and services divisions, as already disclosed to the market.

7. BUSINESS OUTLOOK

In consideration of the improvement of market conditions, Prelios has identified and is implementing a series of initiatives aimed at restructuring its operations and maintaining the conditions for continuing as a going concern. Indeed, a series of measures and initiatives continues to proceed positively, in implementation of the guidelines of the plan established by the Group's individual business units.

From the management standpoint, 2015 - which is set to mark the Company's definitive transition to a pure management company - will be dedicated to re-launching Prelios as a major European real estate and financial services centre.

To this end, as already disclosed to the market, the Company continued to carry out the activities aimed at checking the feasibility of a spin-off of the investments and services divisions, in order to speed up the achievement of its objective of repositioning itself as a pure management company, in light of the possible change of the scope of the Group's operations and the strengthening of the overall financial position.

In this respect, many meetings and discussions were held and are still in progress with all potentially involved parties, including with the support of the Company's advisors. Subject to the approval of the Company's lending banks, the Company expects to reach an understanding within a reasonable timeframe, followed by the signing of the related agreements and the launch of transactions and technical activities, including the contribution of the investments division to a separate vehicle.

The Group has set the following financial performance targets for 2015 according to the unlevered guidelines:

- Service Platform turnover: between Euro 75 million and Euro 80 million;
- positive EBIT for the Service Platform, gross of G&A, of Euro 6 to 8 million.

Considering the findings of the 2015 Budget and 2016-2017 Outlook in terms of both the balance sheet and the sustainability of the debt carried by the Parent Company, Prelios' Directors believe it to be reasonable to conclude that the Group will be able to meet its estimated cash needs and thus to continue as a going concern. Despite continuing to report losses over the three-year period, with the resulting decline in equity and negative cash flow that will not result in a deficit during the plan period, a situation of financial tension exists that will need to be monitored.

8. ANNEXES

APPENDIX A – Non-GAAP measures

The non-GAAP measures used are as follows:

- **Operating loss** (Euro -6.9 million): determined as EBIT of Euro -6.4 million plus net loss from investments of Euro -2.7 million (values reported in "EBIT" and "Net loss from investments", respectively in the consolidated income statement), plus income from shareholder loans of Euro 1.0 million (included in financial income), adjusted for restructuring costs (Euro -0.6 million) and property write-downs/revaluations (Euro - 0.6 million).
- **Profit/(loss) before restructuring costs, property write-downs/revaluations and income taxes** (Euro -6.0 million)**:** value obtained by adding operating loss (Euro -6.9 million) to financial income (Euro 0.9 million).
- **Income from shareholder loans** (Euro 1.0 million): this figure consists of the value of interest income on loans to associates and joint ventures.
- **Financial income (financial expenses)** (Euro 0.9 million): this includes the item "financial expenses" (adjusted for impairment of junior notes or financial receivables) and the item "financial income", net of income from shareholder loans.
- **Investments in real estate investment companies and funds**: this includes investments in associates and joint ventures, in closed-end real estate funds, investments in other companies and junior notes (as per the item "Other financial assets").
- **Net working capital**: the amount of resources comprising a business's operating assets. This measure is used to verify the short-term financial balance of the Company. It consists of all short-term assets and liabilities that are not financial in nature and is presented net of junior notes included in investments in real estate investment companies and funds.
- **Provisions**: this measure consists of the sum of the items "Provisions for risks and expenses (current and non-current)", "Employee benefit obligations" and "Deferred tax provisions" and is stated net of provisions for risks on equity-accounted investments that are included in "Investments in real estate investment companies and funds".
- **Net financial position**: this measure represents a valid indicator of the ability to meet financial commitments. Net financial position is represented by the gross financial debt less cash and other cash equivalents and other current financial receivables.
- **Gross bank debt**: represented by the total debts of each initiative towards the banking system.
- **Net bank debt**: represented by the gross bank debt of each initiative less cash and cash equivalents.
- **Return on sales (ROS):** determined by the impact of EBIT on revenue.

The following table reconciles, by aggregation/reclassification of accounting measures under IFRS, the main non-GAAP measures with the consolidated financial statements.

Operating profit/(loss)	**MARCH 2015**	**MARCH 2014**
EBIT	(6.4)	(4.4)
Net income from equity investments	(2.7)	(2.8)
Income from shareholder loans	1.0	1.9
Restructuring costs	0.6	-
Property (write-downs)/revaluations (1)	0.6	-
Total	**(6.9)**	**(5.3)**

Profit/(loss) before restructuring costs, property write-downs/revaluations and taxes	**MARCH 2015**	**MARCH 2014**
Operating profit/(loss)	(6.9)	(5.3)
Financial expenses	0.9	(5.9)
Total	**(6.0)**	**(11.2)**

Financial income (expenses)	**MARCH 2015**	**MARCH 2014**
Financial expenses	(4.6)	(6.2)
Financial income	6.5	2.2
Income from shareholder loans	(1.0)	(1.9)
Total	**0.9**	**(5.9)**

NOTE

(1) Property (write-downs)/revaluations in first quarter 2015 totalled Euro 0.6 million (pro-rata share attributable to the Group) recorded in net income from investments in companies accounted for using the equity method.

9. CONSOLIDATED FIGURES

9.1. CONSOLIDATED BALANCE SHEET

ASSETS	03.31.2015	12.31.2014
NON-CURRENT ASSETS		
Property, plant and equipment	817	853
Intangible assets	59,070	59,082
Equity investments	143,285	150,104
of which investments held for sale	-	*3,849*
Other financial assets	30,285	16,254
Deferred tax assets	8,184	8,310
Other receivables	108,360	113,596
of which from related parties	*99,543*	*108,355*
TOTAL NON-CURRENT ASSETS	**350,001**	**348,199**
CURRENT ASSETS		
Inventories	40,876	43,472
Trade receivables	32,314	35,074
of which from related parties	*16,841*	*18,758*
Other receivables	16,105	17,773
of which from related parties	*8,741*	*8,834*
Cash and cash equivalents	75,843	77,192
Tax receivables	2,307	3,013
TOTAL CURRENT ASSETS	**167,445**	**176,524**
DISCONTINUED OPERATIONS	**3,572**	**12,164**
of which from related parties	*3,572*	*9,964*
TOTAL ASSETS	**521,018**	**536,887**

EQUITY	03.31.2015	12.31.2014
GROUP EQUITY		
Share capital	426,432	426,432
Other reserves	(16,822)	(15,940)
Retained earnings (losses)	(244,681)	(244,539)
Undivided profits (loss)	(61,149)	
Net profit (loss) for the period	(6,123)	(61,149)
TOTAL GROUP EQUITY	**97,657**	**104,804**
MINORITY INTERESTS	**2,476**	**2,488**
TOTAL EQUITY	**100,133**	**107,292**

LIABILITIES	03.31.2015	12.31.2014
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other lenders	252,511	256,434
Other payables	524	524
Provisions for future risks and expenses	38,760	40,187
Deferred tax provision	2,346	2,156
Employee benefit obligations	12,033	12,080
Tax payables	-	122
TOTAL NON-CURRENT LIABILITIES	**306,174**	**311,503**
CURRENT LIABILITIES		
Bank borrowings and payables to other lenders	9,188	8,490
of which to related parties	*6,576*	*6,576*
Trade payables	48,918	4,736
of which to related parties	*3,033*	*3,063*
Other payables	37,485	40,917
of which to related parties	*5,154*	*19,039*
Provisions for future risks and expenses	14,566	14,510
of which to related parties	*418*	*418*
Tax payables	4,554	6,859
of which to related parties	*1,080*	*1,080*
TOTAL CURRENT LIABILITIES	**114,711**	**118,092**
TOTAL LIABILITIES	**420,885**	**429,595**
TOTAL LIABILITIES AND EQUITY	**521,018**	**536,887**

See paragraph 10 for a description of financial statement entries regarding related-party transactions.

9.2. CONSOLIDATED INCOME STATEMENT

	01.01.2015-03.31.2015	01.01.2014-03.31.2014
Revenues from sales and services	15,973	17,054
Changes in inventories of work in progress, semi-finished and finished products	(2,450)	9
Other income	2,144	681
TOTAL OPERATING REVENUES	**15,667**	**17,744**
of which with related parties	*5,701*	*6,808*
of which non-recurring events	*34*	-
Raw and consumable materials used (net of change in inventories)	(226)	(90)
Personnel costs	(8,600)	(10,033)
Depreciation, amortization and impairment	(157)	(113)
Other costs	(13,064)	(11,889)
TOTAL OPERATING COSTS	**(22,047)**	**(22,125)**
of which with related parties	*(660)*	*(752)*
of which non-recurring events	*(628)*	-
EBIT	**(6,380)**	**(4,381)**
Net income from equity investments of which:	(2,736)	(2,821)
of which with related parties	*(2,736)*	*(2,844)*
- portion of result of associates and *joint ventures*	*(2,611)*	*(4,413)*
- gains on equity investments	-	*1,729*
- losses on equity investments	*(125)*	*(137)*
Financial income	6,453	2,193
of which with related parties	*1,092*	*1,960*
Financial expenses	(4,614)	(6,117)
of which with related parties	*(7)*	*(398)*
INCOME (LOSS) BEFORE TAXES	**(7,277)**	**(11,126)**
Taxes	(379)	(1,320)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**(7,656)**	**(12,446)**
of which attributable to minority interests	(14)	49
Net income (loss) from discontinued operations	**1,519**	**(858)**
of which with related parties	-	*4,019*
GROUP NET INCOME (LOSS) FOR THE PERIOD	**(6,123)**	**(13,353)**

See paragraph 10 for a description of financial statement entries regarding related-party transactions.

9.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		01.01.2015-03.31.2015			attributable to:	
		gross	**tax**	**net**	**Group**	**Minority interests**
A	**Net income (loss) for the period**			**(6,137)**	**(6,123)**	**(14)**
	Other components recognised in equity that may be reclassified to the income statement in a future period:	**(845)**	**(3)**	**(848)**	**(849)**	**1**
	Exchange differences on translating foreign financial statements	62	-	62	62	-
	Total available-for-sale financial assets	13	(3)	10	9	1
	- Fair value adjustment of available-for-sale financial assets	13	(3)	10	9	1
	Prelios share of other components of income recognised in equity by associates and joint ventures	(920)	-	(920)	(920)	-
	- Prelios share of (gains) / losses recognised in equity	(920)	-	(920)	(920)	-
B	**Total other components recognised in equity that may be reclassified to the income statement in a future period**	**(845)**	**(3)**	**(848)**	**(849)**	**1**
A+B	**Total comprehensive income (losses) for the period**			**(6,985)**	**(6,972)**	**(13)**

		01.01.2014-03.31.2014			attributable to:	
		gross	**tax**	**net**	**Group**	**Minority interests**
A	**Net income (loss) for the period**			**(13,304)**	**(13,353)**	**49**
	Other components recognised in equity that may be reclassified to the income statement in a future period:	**606**	**(163)**	**443**	**400**	**43**
	Exchange differences on translating foreign financial statements	(9)	-	(9)	(9)	-
	Total available-for-sale financial assets	595	(163)	432	389	43
	- Fair value adjustment of available-for-sale financial assets	595	(163)	432	389	43
	Prelios share of other components of income recognised in equity by associates and joint ventures	20	-	20	20	-
	- Prelios share of (gains) / losses recognised in equity	20	-	20	20	-
B	**Total other components recognised in equity that may be reclassified to the income statement in a future period**	**606**	**(163)**	**443**	**400**	**43**
A+B	**Total comprehensive income (losses) for the period**			**(12,861)**	**(12,953)**	**92**

9.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Currency translation reserve	Reserve for fair value measurement of available for sale financial assets	Reserve for actuarial gains/ (losses)	Reserve for tax on items credited/debited to equity	Other reserves	Retained earnings/ (losses)	Net income/ (loss) undivided	Net income/ (loss) for the period	**Group equity**	**Minority interests in equity**	**Total**
Equity at December 31, 2014	**426,432**	**(5,609)**	**(3,995)**	**(3,239)**	**3,467**	**(6,569)**	**(244,534)**	**0**	**(61,149)**	**104,804**	**2,488**	**107,292**
Total other components of income recognised in equity	**-**	**(858)**	**12**	**-**	**(3)**	**-**	**-**	**-**	**-**	**(849)**	**1**	**(848)**
Allocation of 2014 results	-	-	-	-	-	-	-	(61,149)	61,149	**0**	-	**-**
Other changes	-	-	1	-	(29)	-	(147)	-	-	**(175)**	1	**(174)**
Net income (loss) for the period	-	-	-	-	-	-	-	-	(6,123)	**(6,123)**	(14)	**(6,137)**
Equity at March 31, 2015	**426,432**	**(6,467)**	**(3,982)**	**(3,239)**	**3,435**	**(6,569)**	**(244,681)**	**(61,149)**	**(6,123)**	**97,657**	**2,476**	**100,133**

	Share capital	Currency translation reserve	Reserve for fair value measurement of available for sale financial assets	Cash flow hedge reserve	Reserve for actuarial gains/ (losses)	Reserve for tax on items credited/debited to equity	Other reserves	Net income/ (loss) undivided	Retained earnings/ (losses)	Net income/ (loss) for the period	**Group equity**	**Minority interests in equity**	**Total**
Equity at December 31, 2013	**189,888**	**(5,712)**	**(5,191)**	**(168)**	**(1,111)**	**4,223**	**(6,570)**	**0**	**88,366**	**(332,838)**	**(69,113)**	**2,778**	**(66,335)**
Total other components of income recognised in equity	**-**	**11**	**536**	**-**	**-**	**(147)**	**-**	**-**	**-**	**-**	**400**	**43**	**443**
Allocation of 2013 results	-	-	-	-	-	-	-	(332,838)	-	332,838	-	-	-
Other changes	-	-	-	-	-	(2)	6	-	(66)	-	(62)	4	(58)
Net income (loss) for the period	-	-	-	-	-	-	-	-	-	(13,353)	(13,353)	49	(13,304)
Equity at March 31, 2014	**189,888**	**(5,701)**	**(4,655)**	**(168)**	**(1,111)**	**4,074**	**(6,564)**	**(332,838)**	**88,300**	**(13,353)**	**(82,128)**	**2,874**	**(79,254)**

9.5. CONSOLIDATED CASH FLOW STATEMENT

	01.01.2015-03.31.2015	01.01.2014-03.31.2014
Result before income taxes and minority interests	(7,277)	(11,126)
Net income (loss) from discontinued operations	1,519	(858)
Depreciation, amortisation and impairment/impairment reversal intangible assets & prop	157	113
Impairment of receivables	361	387
Net income from investments net of dividends	2,736	2,821
Financial expenses	4,614	6,117
Financial income	(6,453)	(2,193)
Change in inventories	2,596	30
Change in trade receivables/payables	4,072	(1,232)
Change in other receivables/payables	(8,542)	(2,254)
Change in employee benefit obligations and other provisions	(1,418)	(1,101)
Taxes	(103)	(449)
Net cash flow generated by discontinued operations	(1,519)	858
Other changes	37	6
Net cash flow generated / (absorbed) by operating activities (A)	**(9,220)**	**(8,881)**
Purchase of property, plant and equipment	(16)	(2)
Disposal of property, plant and equipment	-	21
Purchase of intangible assets	(93)	(36)
Disposal of intangible assets	-	19
Net cash flow generated by disposal of investments in subsidiaries	-	23
Change in investments in associates and joint ventures	4,605	(520)
Increases of other financial assets	-	(10,349)
Disposal of other financial assets	19	430
Net cash flow generated by non-current assets held for sale	**4,515**	**(10,414)**
Other changes in equity	(83)	(67)
Change in financial receivables	(3,887)	5,258
Change in financial payables	(3,424)	(1,036)
Cash flow generated by financial income	25	39
Cash flow absorbed by financial expenses	(75)	(100)
Net cash flow generated / (absorbed) by financing activities (C)	**(7,444)**	**4,094**
Net cash flow generated / (absorbed) by discontinued operations (D)	10,800	-
Net cash flow generated / (absorbed) by discontinued operations (D)	**10,800**	**0**
Total net cash flow generated / (absorbed) in the period (E=A+B+C+D)	**(1,349)**	**(15,201)**
Cash and cash equivalents + bank overdrafts at the beginning of the period (F)	**77,192**	**85,609**
Cash and cash equivalents + bank overdrafts at the end of the period (E+F)	**75,843**	**70,408**
of which:		
- cash and cash equivalents	**75,843**	**70,408**
- bank overdrafts	**-**	**-**

Cash flows relating to transactions with related parties are described in Paragraph 10 to which reference should be made.

9.6. NET FINANCIAL POSITION

(thousands euro)

	03.31.2015	12.31.2014
CURRENT ASSETS		
Other receivables	**113**	**113**
- of which receivable from related parties	*113*	*113*
Financial receivables	113	113
- *joint ventures and other Prelios Group companies*	113	113
Cash and cash equivalents	**75,843**	**77,192**
TOTAL CURRENT ASSETS - A	**75,956**	**77,305**
CURRENT LIABILITIES		
Bank borrowings and payables to other lenders	**(9,188)**	**(8,490)**
- of which payable to related parties	*(6,576)*	*(6,576)*
- joint ventures and other Prelios Group companies	(6,576)	(6,576)
- Other financial payables	(1,268)	(1,061)
- Bank borrowings	(1,246)	(755)
- Payables to other lenders	(98)	(98)
TOTAL CURRENT LIABILITIES - B	**(9,188)**	**(8,490)**
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other lenders	**(252,511)**	**(256,434)**
- Other financial payables	(10,297)	(10,224)
- Bank borrowings	(242,214)	(246,210)
TOTAL NON-CURRENT LIABILITIES - C	**(252,511)**	**(256,434)**
NET FINANCIAL POSITION EXCL. SHAREHOLDER LOANS GRANTED (*) = D =(A+B+C)	**(185,743)**	**(187,619)**

(*) 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").

10. RELATED-PARTY TRANSACTIONS

The following tables show transactions and balances with related parties:

	01.01.2015-03.31.2015	% (*)	01.01.2014-03.31.2014	% (*)
Operating revenue	5,701	36.4%	6,808	38.4%
Operating costs	(660)	3.0%	(752)	3.4%
Net loss from equity investments	(2,736)	100.0%	(2,844)	100.8%
Financial income	1,092	16.9%	1,960	89.4%
Financial expenses	(7)	0.2%	(398)	6.5%
Income (loss) from discontinued operations	-	0.0%	4,019	-468.4%

(*) The percentage is calculated with reference to the total financial statement item

	03.31.2015				12.31.2014			
	Total	% (*)	non-current	current	Total	% (*)	non-current	current
Trade receivables	16,841	52.1%	-	16,841	18,758	53.5%	-	18,758
Other receivables, of which:	108,284	87.0%	99,543	8,741	117,189	89.2%	108,355	8,834
- financial receivables	*99,656*	*100.0%*	*99,543*	*113*	*108,468*	*77.7%*	*108,355*	*113*
Discontinued operations	3,572	100.0%	3,572	-	9,964	81.9%	9,964	-
- financial receivables	*3,572*	*100.0%*	*3,572*	-	*9,964*	*100.0%*	*9,964*	-
Trade payables	(3,033)	-6.2%	-	(3,033)	(3,063)	-6.5%	-	(3,063)
Other payables	(5,154)	-13.6%	-	(5,154)	(19,039)	-45.9%	-	(19,039)
Tax payables	(1,080)	-23.7%	-	(1,080)	(1,080)	-15.5%	-	(1,080)
Bank borrowings and payables to other lenders	(6,576)	-2.5%	-	(6,576)	(6,576)	-2.5%	-	(6,576)
Provisions for future risks and expenses	(418)	-0.8%	-	(418)	(418)	-0.8%	-	(418)

(*) The percentage is calculated with reference to the total financial statement item

Transactions and balances between the Prelios Group and associates, joint ventures and other companies in the Prelios Group are detailed as follows:

Transactions and balances with associates/ joint ventures and other companies

Operating revenue	5,684	The item refers to Group company mandates for fund and asset management services and technical and commercial services.
Operating costs	(134)	These refer to recharges of various kinds.
Net income from investments	(2,736)	The item mainly refers to the equity method valuation of Group investments, as well as other investments adjustments.
Financial income	1,092	This mostly refers to interest earned on financial receivables held by Group companies.
Financial expenses	(7)	This item mainly refers to the "discounting" effects on receivables due from Group companies not consolidated line-by-line.
Current trade receivables	16,824	This balance includes receivables arising from "operating revenue".
Other non-current receivables	99,543	
- of which financial receivables	*99,543*	Loans granted to Group real estate projects. These loans are classified as non-current assets with reference of their terms of repayment, which match the medium-term disposal plans of the real estate portfolios owned directly or indirectly by these companies. These loans are granted at market interest rates except for non-interest bearing loans granted to some companies
Other current receivables	7,035	This includes residual credits of various nature.
- of which financial receivables	113	
Discontinued operations/asset held for sale	3,572	
- of which financial receivables	*3,572*	The item refers to the shareholders' loans granted to the joint ventures Solaia RE B.V. and Jamesmail B.V. that, further to the DGAG portfolio sale agreement, will be reimbursed at the closing date. These amounts are shown as "Discontinued operations/asset held for sale" in compliance with International Financial Reporting Standards (IFRS 5).
Current trade payables	(2,670)	They refer to various chargebacks, mainly rent, urbanisation charges and accessory costs.
Other current payables	(5,154)	These refer to various chargebacks.
Current tax payables	(1,080)	Amounts due to Trixia S.r.l. further its adoption of the "tax transparency" regime allowed by art. 115 of the Italian Income Tax Code, whereby a company's positive or negative taxable amounts are attributed to its shareholders.
Current bank borrowings and payables to other lenders	(6,576)	These include negative balances on intercompany current accounts and other financial payables arising from capital contributions in Aree Urbane S.r.l. (in liquidation) for Euro 4,892 thousand and Solaia RE S.à.r.l. for Euro 634 thousand.
Provisions for future risks and expenses	(418)	This refers to the provision accrued to cover the losses of associates and joint ventures in excess of their carrying amounts.

For the sake of completeness, details will also be provided of the transactions and balances at March 31, 2015 between the Prelios Group and other related parties, specifically with Pirelli & C. S.p.A. and its subsidiaries and other parties that are related through the directors.

The following tables provide details of transactions and balances with these related parties:

Transactions and balances with Pirelli & C. S.p.A. and its subsidiaries or other related parties through directors		
Operating revenue	17	The item mainly refers to a new agreement with Pirelli Tyres S.p.A. relating to the Bicocca area parking.
Operating costs	(526)	The item includes costs for renting and expenses for the R&D building charged by Pirelli Group, and the costs for the services provided by the company Poliambulatorio Bicocca S.r.l..
Current trade receivables	17	These mainly refer to receivables from Pirelli Group for the recovery of costs.
Other current receivables	1,706	The item mainly includes the guarantee deposit paid to Pirelli & C. S.p.A. for the rental of the R&D building and prepaid expenses related to the rental of that building.
Current trade payables	(363)	These mainly refer to the payable to Pirelli Tyre S.p.A. for the chargeback of utilities and expenses related to R&D building. They also include payables for health services provided by the company Poliambulatorio Bicocca S.r.l..

Cash flows

At March 31, 2015, there were no other cash flows referring to related-party transactions which should be disclosed and which cannot be directly determined from the financial statements and the notes thereto.

Milan, May 14, 2015

11. DECLARATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL DOCUMENTS

Declaration pursuant to par. 2, article 154-bis,

n° 58 of Italian Legislative Decree 58 dated February 24th, 1998

The undersigned Marco Andreasi, appointed by the Board of Directors as Manager charged with preparing the company's financial statements for Prelios S.p.A., with registered office in Viale Piero e Alberto Pirelli 27, Milan, tax code, VAT number, and Milan Company Register number: 02473170153

declares

pursuant to par. 2, art. 154-bis of Italian Legislative Decree 58 dated February 24th, 1998, that the accounting information contained in the Interim Financial Report at March 31, 2015 corresponds to the underlying documentary records, books of account and accounting entries.

Milan, May 14th 2015

Marco Andreasi

The manager charged with preparing
the company's financial statements

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Share capital Euro 426,441,257.20
Companies' Register of Milan
Tax code and VAT No. 02473170153
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