

MONTHLY DISCLOSURE PURSUANT TO ART. 114, PAR. 5, OF LEGISLATIVE DECREE NO. 58/98

Milan, April 24, 2018 – In accordance with the request sent by Consob on September 13, 2012, pursuant to art. 114, paragraph 5, of Legislative Decree No. 58/1998, we hereby provide the following information concerning Prelios S.p.A. and the Group under its control, at February 28, 2018.

1) Net Financial Position, with separate indication of the short-term and medium/long-term components.

The **Net Financial Position** of the **Prelios Group** was a net debt of Euro 2.6 million at March 31, 2018, compared to a negative Euro 7.7 million at February 28, 2018.

The **Net Financial Position** of **Prelios S.p.A.** at March 31, 2018 was negative for Euro 66.7 million, compared to a negative Euro 77.9 million at February 28, 2018.

Details are provided by the following tables.

Group's Net Financial Position

(thousands euro)

	03.31.2018 (**)	02.28.2018	12.31.2017 (**)
CURRENT ASSETS			
Other receivables	4,892	4,892	4,892
- of which receivable from related parties	4,892	4,892	4,892
Financial receivables	4,892	4,892	4,892
- Prelios Group companies	4,892	4,892	4,892
Cash and cash equivalents	31,193	26,727	32,447
TOTAL CURRENT ASSETS - A	36,085	31,619	37,339
CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(16,329)	(16,796)	(16,744)
- of which payable to related parties	(5,545)	(5,543)	(5,540)
- Prelios Group companies	(5,545)	(5,543)	(5,540)
- Other financial payables	(9,950)	(10,349)	(10,514)
- Bank borrowings	(834)	(904)	(690)
TOTAL CURRENT LIABILITIES - B	(16,329)	(16,796)	(16,744)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(22,374)	(22,487)	(19,327)
- of which payable to related parties	(3,110)	(3,202)	-
- Prelios Group companies	(3,110)	(3,202)	-
- Bank borrowings	(19,236)	(19,257)	(19,298)
- Other financial payables	(28)	(28)	(29)
TOTAL NON-CURRENT LIABILITIES - C	(22,374)	(22,487)	(19,327)
NET FINANCIAL POSITION - (*) D = (A+B+C)	(2,618)	(7,664)	1,268

(*) 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".

(**) Preliminary data, not approved at the reporting date.

In general, the change in the **Group Net Financial Position** is mainly due to variations in working capital.

The overall Net Financial Position of the Group improved by approximately Euro 5.1 million with respect to the previous month, mainly reflecting the positive net cash flow generated by operations, representing fees collected in March.

Net Financial Position of Prelios S.p.A.

(thousands euro)

	03.31.2018	02.28.2018	12.31.2017 (**)
CURRENT ASSETS			
Other receivables	4,892	5,903	5,319
<i>- of which receivable from related parties</i>	4,892	5,903	5,319
Financial receivables	4,892	5,903	5,319
- subsidiaries	-	1,011	427
- associates and joint ventures	4,892	4,892	4,892
Cash and cash equivalents	15,575	11,230	16,910
TOTAL CURRENT ASSETS - A	20,467	17,133	22,229
CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(65,675)	(73,490)	(75,411)
<i>- of which payable to related parties</i>	(55,871)	(63,599)	(65,362)
- subsidiaries	(50,326)	(58,056)	(59,822)
- associates and joint ventures	(5,545)	(5,543)	(5,540)
- Bank borrowings	(154)	(113)	(14)
- Other financial payables	(9,650)	(9,778)	(10,035)
TOTAL CURRENT LIABILITIES - B	(65,675)	(73,490)	(75,411)
NON-CURRENT LIABILITIES			
Bank borrowings and payables to other lenders	(21,514)	(21,570)	(18,299)
<i>- of which payable to related parties</i>	(3,110)	(3,202)	-
- associates and joint ventures	(3,110)	(3,202)	-
- Bank borrowings	(18,404)	(18,368)	(18,299)
- Other financial payables	-	-	-
TOTAL NON-CURRENT LIABILITIES - C	(21,514)	(21,570)	(18,299)
NET FINANCIAL POSITION-(*) D = (A+B+C)	(66,722)	(77,927)	(71,481)

(*) 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".

(**) Preliminary data, not approved at the reporting date.

The trend in the Net Financial Position of the Parent Company also shows financial payables and receivables to/from subsidiaries, which were eliminated at Group level.

2) Past due debt positions, broken down by type (financial, commercial, tax, pension and to employees) and any associated actions taken by creditors (reminders, payment orders, suspensions of supply etc.):

Past due **trade payables** of the **Prelios Group** totalled Euro 10.3 million at March 31, 2018 (Euro 7.1 million at February 28, 2018), now reduced to Euro 4.4 million following the payment of Euro 5.9 million in April.

This situation falls into the context of the usual trade relations with the suppliers of the Prelios Group.

Past due **trade payables** of **Prelios S.p.A.** totalled Euro 1.8 million at March 31, 2018 (Euro 1.3 million at December 31, 2017), now reduced to Euro 0.7 million following a payment of Euro 1.1 million made in October.

With regard to the positions indicated above, there are no legal disputes or proceedings, nor any suspension initiatives by suppliers. There were payment reminders that fall within the scope of ordinary administrative management.

However, there were no financial, tax or pension payables past due, nor any to employees.

3) Relationships between the Prelios Group and Prelios S.p.A. and Related Parties:

Relationships with related parties involving subsidiaries of Prelios S.p.A. or joint ventures and associates thereof (so-called "Intragroup" transactions), concern commercial and financial relationships falling within the scope of ordinary management activities and are settled on an arm's length basis. There were no atypical and/or unusual transactions.

It is pointed out that, as from December 28, 2017, the Italian company Lavaredo S.p.A. ("Lavaredo") - as set forth by the Regulations containing the provisions relevant to transactions with related parties adopted by CONSOB pursuant to resolution no. 17221 of March 12, 2010, as subsequently amended (the "Related Parties Regulations") - is considered to be a "related party" of Prelios S.p.A. ("Prelios") together with the key direct and indirect shareholders of Lavaredo, after completing on that date the acquisition of approximately 44.86% (later increased, on January 26, 2018, to approximately 55.64%) of the share capital and voting rights of Prelios.

It is specified, furthermore, that as at April 23, 2018 - at the end of the resulting Full Mandatory Takeover Bid and the subsequent period of reopening of the terms of the same Takeover Bid, promoted by Lavaredo pursuant to the law - Lavaredo holds a stake of 95.926% of the share capital of Prelios, as a result of the shares subscribed during the Takeover Bid, as well as the further purchases made and already disclosed to the market pursuant to the law.

Please note that the disclosure concerning the relationships with affiliated companies, joint ventures and other companies within the Prelios Group, as well as subsidiaries of Prelios S.p.A., shown below for March 2018 is compared with the data at December 31, 2017 as regards the equity component, and with data at March 31, 2017 for the financial and economic component.

The following table therefore shows the **relationships between the Prelios Group and associates, joint ventures and other companies at December 31, 2017:**

	from 01.01.2018 to 03.31.2018 (*)		from 01.01.2017 to 03.31.2017
Operating revenue	2,712	The item refers to Group company mandates for alternative asset management and real estate services.	4,382
Operating costs	(14)		(207)
Net income from investments	(22)	The item mainly refers to the equity method valuation of Group investments.	(170)
Financial income	79	These refer also to interest income accrued on loans granted to investee companies.	229
Financial expenses	(32)		(5)

	As at 03.31.2018 (*)		As at 12.31.2017 (*)
Current trade receivables	7,097	This balance includes receivables arising from "operating revenue".	8,758
Other non-current receivables	16		16
- of which financial receivables	16		16
Other current receivables	5,394	This item includes Euro 4,892 thousand for financial receivables recognized to Focus Investment S.p.A. against a debt of the same amount towards the joint venture Aree Urbane S.r.l. (in liquidation).	5,177
- of which financial receivables	4,892		4,892
Current trade payables	(1,395)	They refer to recharges of various kinds, mainly related to rents and expenses. The item includes payables to the associate company Focus Investments S.p.A. for the management of the investments excluded from the Investments Business Unit.	(1,508)
Other non current payables	(421)	These refer to part of an indemnity, stated in an agreement in 2017, payable to Focus Investments S.p.A.	(418)
Other current payables	(173)	At December 31, 2017 they mainly included a payable to the company Focus Investments International S.r.l. in the amount of 3.200 thousands euro, that has been the object of a financial operation during the first quarter 2018.	(3,774)
Non-current bank borrowings and payables to other financial institutions	(3,110)	These include a financial payable towards the company Focus Investments International S.r.l., that is to be repaid in June 2019.	-
Current bank borrowings and payables to other lenders	(5,545)	They refer to Euro 4,892 thousand for financial debt include financial payables for capital contributions to be paid to the company Aree Urbane S.r.l. (in liquidation), as well as to Euro 653 thousand for financial debt against Lambda S.r.l.	(5,540)

Thousands euro.

(*) Preliminary data, not approved at the reporting date.

The following table shows the **relationships between Prelios S.p.A. and its subsidiaries at December 31, 2017:**

	from 01.01.2018 to 03.31.2018		from 01.01.2017 to 03.31.2017
Operating revenue	1,427	These include mainly fees for general services, and the recovery of costs for office rental, trade mark and other costs.	1,279
Operating costs	(338)	These relate mainly to costs for general services provided by the subsidiary Sare S.p.A. and to costs for technical assistance provided by other subsidiaries; they include also some costs recharged to Prelios S.p.A. by the subsidiaries.	(247)
Net income from investments	10,559	This item refers to the amount distributed by the subsidiary Prelios SGR S.p.A., following the reduction of the share capital.	-
Financial income	215	These refer mainly to interest income accrued on the loan granted to Prelios Deutschland GmbH and on intra-group current accounts; they include also the recharge of guarantee costs paid in the interest of subsidiaries.	247
Financial expenses	(180)	These include interests charged on the intercompany current accounts and on the loan received from the subsidiary Prelios Polska Sp.z.o.o. in Polish currency.	(84)
Income taxes	274	These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation.	392

	As at 03.31.2018		As at 12.31.2017 (*)
Current trade receivables	4,242	These include mainly fees for services provided to the subsidiaries by Prelios S.p.A., and the recharging of costs for the offices, for the trade mark and other costs.	4,221
Other non-current receivables	11,648	The item refers to the balance of the loan granted to the subsidiary Prelios Deutschland GmbH as at March 31, 2018, and to a non-current receivable from the same company.	11,455
- of which financial receivables	8,490		8,297
Other current receivables	902	These include mainly VAT receivables from subsidiaries that have elected to be consolidated for VAT purposes; at March, 31 2018 there are no positive balances of the intercompany current accounts between Prelios S.p.A. and its investee companies (financial receivables).	1,435
- of which financial receivables	-		427
Current tax receivables	2,197	These refer mainly to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a Group taxation.	1,923
Current trade payables	(1,493)	These refer mainly to payables to subsidiaries for services rendered and costs recharged.	(1,320)
Other current payables	(500)	The item includes the payable (in the amount of 400 thousands euro) to Prelios Deutschland GmbH assumed from Focus Investments S.p.A. for the partial compensation with its receivables. They include also VAT payables to subsidiaries that have elected to be consolidated for VAT purposes and certain prepaid expenses on incomes from subsidiaries.	(98)
Current tax payables	(479)	These refer to payables to subsidiaries that have elected to be consolidated for a group taxation.	(439)
Current bank borrowings and payables to other lenders	(50,326)	These refer to negative balances of the intercompany current accounts between Prelios S.p.A. and its investee companies, and, for 1,805 thousand euro, to the balance at March 31, 2018 of the foreign currency loan received from the subsidiary Prelios Polska Sp.z.o.o..	(59,822)

Thousands euro.

(*) Preliminary data, not approved at the reporting date.

The following table shows the **relationships between Prelios S.p.A. and associates, joint ventures and other investee companies at December 31, 2017:**

	from 01.01.2018 to 03.31.2018		from 01.01.2017 to 03.31.2017
Operating revenue	32	These refer mainly to revenues for services and cost recharges to the company Focus Investment S.p.A..	177
Operating costs	(2)	The item refers to certain costs recharged by a <i>joint venture</i> .	(1,193)
Financial income	22	These refer essentially to interest income accrued on loans granted to investee companies.	743
Financial expenses	(25)	These refer to the interests accrued on the financial debts with Lambda S.r.l. and Focus Investments International S.r.l..	(18)

	As at 03.31.2018		As at 12.31.2017 (*)
Current trade receivables	19	These include receivables towards Focus Investments S.p.A. for cost recharges.	24
Other non-current receivables	16	This refers to loans granted to investee companies. The amount refers to the balance at December 31, 2017 of the shareholders' loan granted to the company IN Holdings I S.à.r.l..	16
<i>- of which financial receivables</i>	<i>16</i>		<i>16</i>
Other current receivables	5,108	This item includes Euro 4,892 thousand for financial receivables recognized to Focus Investment S.p.A. against a debt of the same amount towards the <i>joint venture</i> Aree Urbane S.r.l. (in liquidation).	5,108
<i>- of which financial receivables</i>	<i>4,892</i>		<i>4,892</i>
Current trade payables	(575)	These refer to the payables to the associated company Focus Investments S.p.A. for the management of the investments excluded from the Investments Business Unit.	(573)
Other non-current payables	(421)	These refer to part of an indemnity, stated in an agreement in 2017, payable to Focus Investments S.p.A..	(418)
Other current payables	(8)	At December 31, 2017 they mainly included a payable to the company Focus Investments International S.r.l. in the amount of 3.200 thousands euro, that has been the object of a financial operation during the first quarter 2018.	(3,608)
Non-current bank borrowings and payables to other lenders	(3,110)	These include a financial payable towards the company Focus Investments International S.r.l., that is to be repaid in June 2019.	-
Current bank borrowings and payables to other lenders	(5,545)	These include financial payables for capital contributions to be paid to the company Aree Urbane S.r.l. (in liquidation) and a financial payable towards the company Lambda S.r.l..	(5,540)

Thousands euro.

(*) Preliminary data, not approved at the reporting date.

* * *

The Manager charged with preparing the financial documents of Prelios S.p.A., Sergio Cavallino, certifies – pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance (Legislative Decree 58/1998) – that the accounting information contained in this press release corresponds to the documents, books and accounting records of the Company.

* * *

For more information:

Ufficio Stampa Prelios
Tel. +39 02 6281.4176/4826/33628
pressoffice@prelios.com

Community Strategic Communications Advisers
Tel. +39 02 89404231
prelios@communitygroup.it

Investor Relations Prelios Tel. +39 02 6281.4104
ir@prelios.com
www.prelios.com