

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

Milan, 30 March 2018 – In accordance with the request sent by Consob on 13 September 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 28 February 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 -7.7 million at 28 February 2018, compared to Euro -3.0 million at 31 January 2018.

The **Net Financial Position** of **Prelios S.p.A.** was a net debt of Euro -77.9 million at 28 February 2018, compared to Euro -72.9 million at 31 January 2018.

Details are provided by the following tables.

Group's Net Financial Position

(thousands euro)

| | 02.28.2018 | 01.31.2018 | 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 | 26,727 | 28,169 | 32,447 |
| TOTAL CURRENT ASSETS - A | 31,619 | 33,061 | 37,339 |
| CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other lenders | (16,796) | (16,788) | (16,744) |
| - of which payable to related parties | (5,543) | (5,542) | (5,540) |
| - Prelios Group companies | (5,543) | (5,542) | (5,540) |
| - Other financial payables | (10,349) | (10,444) | (10,514) |
| - Bank borrowings | (904) | (802) | (690) |
| TOTAL CURRENT LIABILITIES - B | (16,796) | (16,788) | (16,744) |
| NON-CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other lenders | (22,487) | (19,304) | (19,327) |
| - of which payable to related parties | (3,202) | - | - |
| - Prelios Group companies | (3,202) | - | - |
| - Bank borrowings | (19,257) | (19,276) | (19,298) |
| - Other financial payables | (28) | (28) | (29) |
| TOTAL NON-CURRENT LIABILITIES - C | (22,487) | (19,304) | (19,327) |
| NET FINANCIAL POSITION - (*) D = (A+B+C) | (7,664) | (3,031) | 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 the working capital.

More specifically, the Group Net Financial Position worsened as a whole by about Euro 4.6 million compared to the previous month, due on the one hand to the performance of operating activities which, against regular outgoing payments, did not give rise to major collections of fees in February, and, on the other hand, due to the classification as "financial" of a debt of Euro 3.2 million relating to a deferred payment to a Group company.

Net Financial Position of Prelios S.p.A.

(thousands euro)

| | 02.28.2018 | 01.31.2018 | 12.31.2017 (**) |
|--|-----------------|-----------------|-----------------|
| CURRENT ASSETS | | | |
| Other receivables | 5,903 | 6,037 | 5,319 |
| - of which receivable from related parties | 5,903 | 6,037 | 5,319 |
| Financial receivables | 5,903 | 6,037 | 5,319 |
| - subsidiaries | 1,011 | 1,145 | 427 |
| - associates and joint ventures | 4,892 | 4,892 | 4,892 |
| Cash and cash equivalents | 11,230 | 13,344 | 16,910 |
| TOTAL CURRENT ASSETS - A | 17,133 | 19,381 | 22,229 |
| CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other lenders | (73,490) | (73,936) | (75,411) |
| - of which payable to related parties | (63,599) | (63,962) | (65,362) |
| - subsidiaries | (58,056) | (58,420) | (59,822) |
| - associates and joint ventures | (5,543) | (5,542) | (5,540) |
| - Bank borrowings | (113) | (66) | (14) |
| - Other financial payables | (9,778) | (9,908) | (10,035) |
| TOTAL CURRENT LIABILITIES - B | (73,490) | (73,936) | (75,411) |
| NON-CURRENT LIABILITIES | | | |
| Bank borrowings and payables to other lenders | (21,570) | (18,335) | (18,299) |
| - of which payable to related parties | (3,202) | - | - |
| - associates and joint ventures | (3,202) | - | - |
| - Bank borrowings | (18,368) | (18,335) | (18,299) |
| - Other financial payables | - | - | - |
| TOTAL NON-CURRENT LIABILITIES - C | (21,570) | (18,335) | (18,299) |
| NET FINANCIAL POSITION-(*) D = (A+B+C) | (77,927) | (72,890) | (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 7.1 million at 28 February 2018 (Euro 6.9 million at 31 January 2018), now reduced to Euro 5.5 million following the payment of Euro 1.6 million in March.

This situation can be attributed to the normal business relations with the suppliers of the Prelios Group.

Past due **trade payables** of **Prelios S.p.A.** totalled Euro 1.3 million at 28 February 2018 (Euro 1.2 million at 31 December 2017), now reduced to Euro 0.8 million following a payment of Euro 0.5 million made in March.

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 28 December 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 12 March 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 26 January 2018, to approximately 55.64%) of the share capital and voting rights of Prelios.

It is specified, furthermore, that as at 16 March 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 90.437% 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 December 2017, is compared with the data at 30 September 2017 as regards the equity component, and with data at 31 December 2016 for the financial component. In fact, it is only possible to provide this information for this data on a quarterly basis.

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

| | from 01.01.2017 to 12.31.2017 (*) | | from 01.01.2016 to 12.31.2016 |
|-----------------------------|--------------------------------------|---|----------------------------------|
| Operating revenue | 16,395 | The item refers to Group company mandates for alternative asset management and real estate services. | 18,411 |
| Operating costs | (1,648) | These include Euro 850 thousand for an indemnity payable to the associated company Focus Investments S.p.A., and the cost charged by the same company for the management of the investments excluded from the Investments Business Unit. The item includes also rental fee and expenses for the offices in Rome - Via Colombo, charged by Fondo Cloe, owner of the building until March 31, 2017. | (1,220) |
| Net income from investments | (33,526) | The item mainly refers to the equity method valuation of Group investments. | (18,728) |
| Financial income | 759 | These refer essentially to interest income accrued on loans granted to investee companies. | 1,092 |
| Financial expenses | (407) | | (345) |

| | As at 12.31.2017 (*) | | As at 09.30.2017 |
|---|-------------------------|---|---------------------|
| Current trade receivables | 8,758 | This balance includes receivables arising from "operating revenue". | 12,157 |
| Other non-current receivables | 16 | | 16 |
| - of which financial receivables | 16 | | 16 |
| Other current receivables | 5,177 | 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). | 4,971 |
| - of which financial receivables | 4,892 | | 4,892 |
| Current trade payables | (1,508) | 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. | (1,306) |
| Other non current payables | (418) | These refer to part of the said indemnity payable to Focus Investments S.p.A.. | (415) |
| Other current payables | (3,774) | They mainly include payables to the company Focus Investments International B.V. for the obligation assumed by Prelios S.p.A. to pay the purchaser of Cloe Fund shares and part of the said indemnity payable to Focus Investments S.p.A.. | (3,876) |
| Current bank borrowings and payables to other lenders | (5,540) | 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 648 thousand for financial debt against Lambda S.r.l. | (5,536) |

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 31 December 2017:***

| | from 01.01.2017 to 12.31.2017 (*) | | from 01.01.2016 to 12.31.2016 |
|-----------------------------|--------------------------------------|--|----------------------------------|
| Operating revenue | 5,452 | These include mainly fees for general services, and the recovery of costs for office rental, trade mark and other costs. | 5,643 |
| Operating costs | (1,290) | 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. | (1,535) |
| Net income from investments | 1,418 | This item includes the dividends distributed by the subsidiary Prelios SGR S.p.A.. | 15,345 |
| Financial income | 931 | 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. | 914 |
| Financial expenses | (504) | 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. | (390) |
| Income taxes | 2,033 | These refer to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a group taxation. | 1,784 |

| | As at 12.31.2017 (*) | | As at 09.30.2017 |
|---|-------------------------|--|------------------|
| Current trade receivables | 4,221 | 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. | 4,982 |
| Other non-current receivables | 11,455 | The item refers to the balance of the loan granted to the subsidiary Prelios Deutschland GmbH as at December 31, 2017, and to a non-current receivable from the same company. | 11,260 |
| - of which financial receivables | 8,297 | | 8,102 |
| Other current receivables | 1,435 | These include mainly the positive balances of the intercompany current accounts between Prelios S.p.A. and its investee companies (financial receivables), and VAT receivables from subsidiaries that have elected to be consolidated for VAT purposes. | 1,903 |
| - of which financial receivables | 427 | | 1,356 |
| Current tax receivables | 1,923 | These refer mainly to revenues transferred to Prelios S.p.A. by subsidiaries that have elected to be consolidated for a Group taxation. | 2,981 |
| Current trade payables | (1,320) | These refer mainly to payables to subsidiaries for services rendered and costs recharged. | (1,752) |
| Other current payables | (98) | They include VAT payables to subsidiaries that have elected to be consolidated for VAT purposes and certain prepaid expenses on incomes from subsidiaries. At September 30, 2017 these included, for the amount of 9,000 thousand euro, the payable to Prelios Agency S.p.A. for the price not yet paid related to the acquisition of the participation in Prelios Valuations & e-Services S.p.A.. | (9,003) |
| Current tax payables | (439) | These refer to payables to subsidiaries that have elected to be consolidated for a group taxation. | (483) |
| Current bank borrowings and payables to other lenders | (59,822) | These refer to negative balances of the intercompany current accounts between Prelios S.p.A. and its investee companies, and, for Euro 1,794 thousand, to the balance at December 31, 2017 of the foreign currency loan received from the subsidiary Prelios Polska Sp.z.o.o.. | (46,408) |

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 31 December 2017:**

| | from 01.01.2017 to 12.31.2017 (*) | | from 01.01.2016 to 12.31.2016 |
|--------------------|--------------------------------------|---|----------------------------------|
| Operating revenue | 177 | These refer mainly to revenues for services and cost recharges to the company Focus Investment S.p.A.. | 383 |
| Operating costs | (1,193) | These include Euro 850 thousand for an indemnity payable to the associated company Focus Investments S.p.A., and the cost charged by the same company for the management of the investments excluded from the Investments Business Unit. The item includes also rental fee and expenses for the offices in Rome - Via Colombo, charged by Fondo Cloe, owner of the building until March 31, 2017. | (765) |
| Financial income | 743 | These refer essentially to interest income accrued on loans granted to investee companies. | 1,091 |
| Financial expenses | (18) | These refer to the interests accrued on the financial debt with Lambda S.r.l.. At December 30, 2017 they included also the financial expenses for the net present value effect of a non-financial payable to the associate Focus Investments International B.V.. | (167) |

| | As at 12.31.2017 (*) | | As at 09.30.2017 |
|---|-------------------------|--|------------------|
| Current trade receivables | 24 | These include receivables towards Focus Investments S.p.A. for cost recharges. | 22 |
| 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 |
| - of which financial receivables | 16 | | 16 |
| 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 joint venture Aree Urbane S.r.l. (in liquidation). | 4,969 |
| - of which financial receivables | 4,892 | | 4,892 |
| Current trade payables | (573) | 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. | (414) |
| Other non-current payables | (418) | These refer to part of the said indemnity payable to Focus Investments S.p.A.. | (415) |
| Other current payables | (3,608) | They mainly include payables to the company Focus Investments International B.V. for the obligation assumed by Prelios S.p.A. to pay the purchaser of Cloe Fund shares and part of the said indemnity payable to Focus Investments S.p.A.. | (3,631) |
| Current bank borrowings and payables to other lenders | (5,540) | 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.. | (5,536) |

Thousands euro.

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

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The Manager charged with preparing the Company's 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 No. 58/1998) – that the accounting disclosures contained in this press release correspond with the documents, books, and accounting records of the Company.

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