



PRELIOS

Analyst Presentation – 04 September 2015

- **Prelios is consolidating his position in the market as a pure service provider and has the ambitious goal of becoming the reference “asset manager and service provider” in Italy and in some European countries**
 - Significant real estate asset disposal activities (€877 m sales in 2014, for a pro-rata amount of about €164 m)
 - Strong focus on cost control, with significant reduction on fixed costs
 - Internal reorganization and improvement of the corporate structure, with the introduction of a new management team
 - Transformation of the business model from captive to open market
 - Involvement in the main transactions on the market (e.g. UCCMB)

- **Selected main achievements of the single Business Units:**
 - **Prelios SGR:** 4 new ordinary full equity real estate funds recently established (Fondo PAI – Parchi Agroalimentari Italiani, Fondo IGEA, Fondo Primo RE and Fondo Aurora) and increased AUM for the funds already managed. New AuM in 2014 equals to €326 m, in H1 2015 equals to €131 m
 - **PRECS:** consolidation of a leading market position in the management of deteriorated loans (€1.5bln ca. GBV - mainly secured - of new management contracts, operating partner in the UCCMB acquisition, advisor of the main institutional global investor active in Italy). Repositioning in the market as open market servicer completed
 - **Real Estate Services:** more than 50% of the 2014 turnover was generated with non captive clients and strong focus on large size institutional clients and on contracts with longer length and higher margins
 - **Prelios Germany:** focus on business development, with the closing on new important mandates and repositioning of the German platform as a "German" operator, with the unified leadership responsibility for Germany and Poland

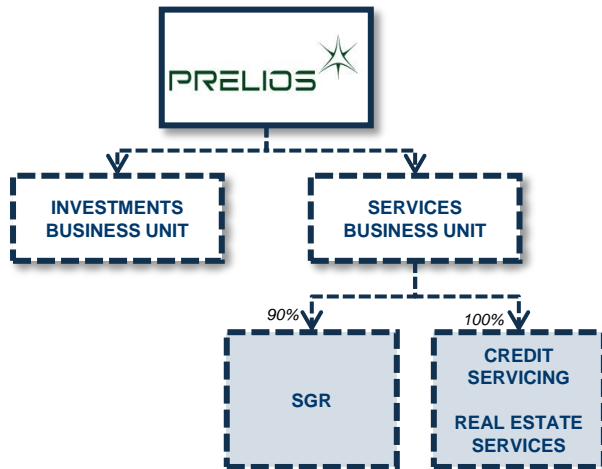
- **Approval by Prelios Board of Director on August 6, 2015 of the spin-off of assets and non-core investment activities transferred to a newly incorporated SPV (“Centauro”)**
 - Proposal addressed to Pirelli, Intesa Sanpaolo and Unicredit as new Centauro partners (the “Partners”), with Prelios holding the minority of voting share capital
 - Transaction envisaging also a right issue at Prelios level, entirely guaranteed by lending banks
- **Approval of the Prelios new business plan 2015 – 2017 related to the transaction, in continuity with the previous business plan, confirming the targets already disclosed to the market**
- **Expected timeline:**
 - The whole transaction remains subject to Partners’ formal acceptance and to the occurrence of the envisaged conditions, including the approval of the total debt rescheduling by all lending banks
 - Formal approval by all lending banks and Partners is expected by the end of September
 - Shareholders’ meeting scheduled for October, 16th
 - Based on the current market conditions, the Company’s target is to execute the rights issue by the end of 2015 / January 2016

CONSISTENTLY WITH THE STRATEGY OF THE GROUP, THE TRANSACTION IS ACCELERATING THE TRANSITION TO A MANAGEMENT COMPANY AND SECURES AN OVERALL EQUITY AND FINANCIAL STRENGTHENING

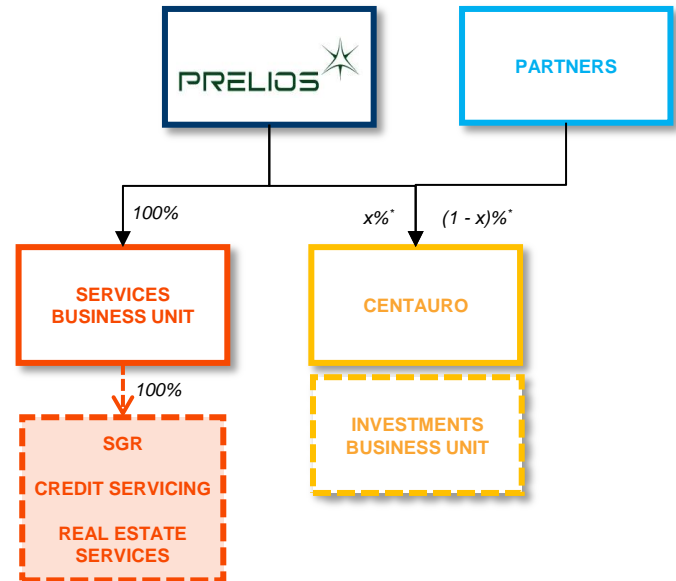
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Prelios «As Is»... And To Be

CURRENT SITUATION



PRELIOS STRUCTURE AFTER CENTAURO



* Minority voting rights to Prelios

SPIN-OFF OF INVESTMENTS COMPONENT AND DEBT ALLOCATION

- **Transfer by Prelios of Investments going concern to a separate SPV initially owned at 100%**
 - Net book asset value transferred estimated equal to €226 m⁽¹⁾
- **Debt allocation of 70% of total Prelios debt**
 - Net financial position to be transferred equal to €150 m
 - Of which about €170 m of debt and €(20) m cash in order to ensure a balanced financial position
 - Net equity transferred of around €76 m

ENTRY OF NEW PARTNERS

- **Financial and capital strengthening thanks to entry of new Partners in Centauro**
 - Capital increase in cash for an amount of €12 m
 - Capital increase to be underwritten by Pirelli, Intesa Sanpaolo and Unicredit

EQUITY STRUCTURE AND GOVERNANCE

- **Prelios will hold the minority of the voting rights (25%)**
- **Majority of economic rights in favor of Prelios**
- **Granting by Prelios of a limited package of Reps & Warranties, according to market standards**
- **De-recognition of Investments assets and liabilities**

(1) See page 11 for details on Centauro perimeter

EQUITY AND FINANCIAL STRENGTHENING OF PRELIOS

- **€66.5 m rights issue at arm's length, fully guaranteed by lending banks, and use of proceeds will be the following:**
 - €48 m: voluntary debt repayment
 - €12 m: liquidity for Prelios to support its Services business unit
 - €6.5 m: amount to be used for company investments and obtain 100% control on the SGR (re-purchase of the residual 10% stake currently owned by Intesa Sanpaolo)
- **Achievement of strong company deleverage and adequate cash endowment for the Services component**
- **Significant reduction of net financial position, which would be substantially *nihil* after transaction implementation**
 - In line with market standard for competitors in the service providers industry

REDEFINITION OF RESIDUAL INDEBTEDNESS

- **Redefinition of residual indebtedness to guarantee long term sustainability**
 - Maturity extension (June 2022) and amortization mechanism in line with cash flow forecasts
- **Cancellation of cross-collateralization with assets transferred in Centauro**

1

SPIN-OFF OF NON CORE INVESTMENT ACTIVITIES

- **Spin-off of Prelios non-core Investment activities, allowing to accelerate the process for the implementation of the business model for the company repositioning as “pure management company”**
 - In line with the strategic guidelines disclosed to the market on several occasions

2

CLEAR BUSINESS MODEL

- **Clear business model focusing on the pure service provider business**
 - Optimization of the allocation of financial resources
 - Better focus of the management on the core business

3

MARKET VISIBILITY

- **Better understanding from the market due to business model simplification**
- **Better perception of the company**
 - Possible participation in the consolidation process currently underway in the sector

4

EXPOSURE TO INVESTMENT BUSINESS

- **Lower exposure to the needs and risks relating to the run-off of Investments**
 - Limited to the value of the shareholding in Centauro and to the exposure deriving from limited warranties granted
- **Related decorrelation of Services cash flows with respect to the Investment needs**

1

MANAGEMENT STRUCTURE OPTIMIZATION

- **Optimization of the management structure and improvement on cost control activities due to the separation of the two business components**
 - Reduction of G&A costs as a result of Project Centauro (50% reduction in the period 2015 – 2017)
 - Expected positive impact on the valorization of the Services business unit

2

EQUITY AND FINANCIAL STRENGTHENING

- **Achievement by Prelios of a significant reduction of the net financial position, which would be substantially *nihil* after the transaction is implemented**
 - €150 m will be transferred in Centauro
 - Voluntary debt repayment of €48 m
 - New cash for Prelios for an amount of €12 m
- **Equity and financial strengthening, which can better support the sustainability and development of the Services business**

3

LONG TERM UPSIDE

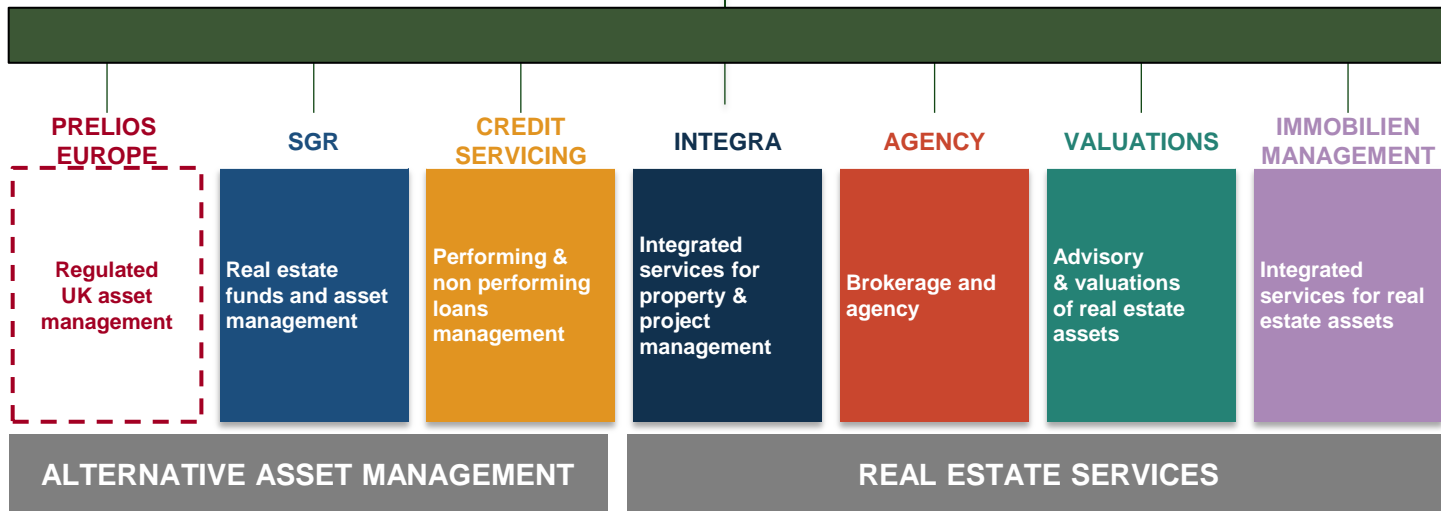
- **Retention of economic interest in the Investment business, granting potential future upside, if any**
 - Possibility to take advantage of future possible market recovery

THE ACHIEVEMENT OF AN ADEQUATE EQUITY AND ECONOMIC-FINANCIAL BALANCE CAN STRUCTURALLY GUARANTEE THE CONDITIONS FOR A STABLE LONG-TERM BUSINESS CONTINUITY

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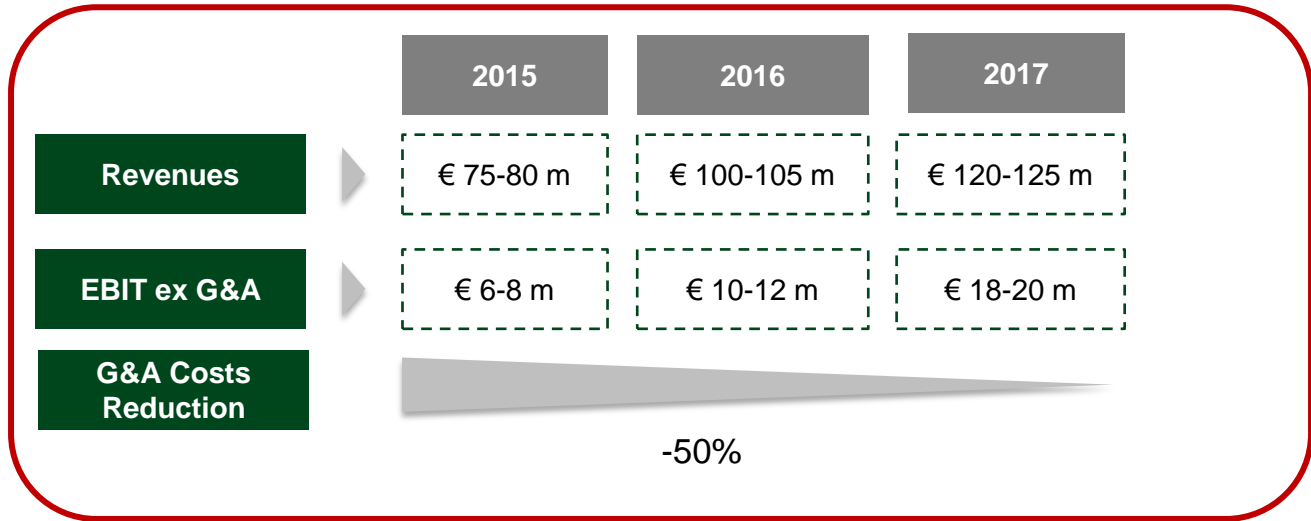
Focus on New Prelios: A "Pure Integrated Management Platform"

- Accelerated transition to a "pure management company" thanks to the Centauro transaction
- Through independent operating companies, Prelios is the first platform of real estate finance and specialized services for the management and value enhancement of third parties' portfolios in Italy
- Our Group comprises an extremely well-qualified structure which includes about 450 employees in Italy and abroad, with significant professional skills and a track record of excellence in the international arena



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New 2015 – 2017 Business Plan: Targets Confirmed



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Focus on Centauro Perimeter

- **Assets contribution to be executed at market values**
- **From an accounting perspective, asset value transferred estimated in ~€266 m⁽¹⁾, in continuity with current book values of Prelios**
- **Prelios will maintain around €21 m of investments (debt free) which cannot be transferred to Centauro due to regulatory and contractual obligations**

ESTIMATED PERIMETER			
	Centauro		Centauro
	<i>Ante Capital Increase</i>	<i>Capital Increase</i>	<i>Post Capital Increase</i>
Investments/Assets transferred	266		266
Other net assets/(liabilities) ⁽²⁾	(40)		(40)
Net assets	226		226
Allocated debt	(170)		(170)
Allocated cash position	20	12	32
Net financial position	(150)		(138)
Net equity	76		88

(1) Based on Prelios Net Invested Capital

(2) Mainly risk provisions and debts related to the assets transferred in Centauro



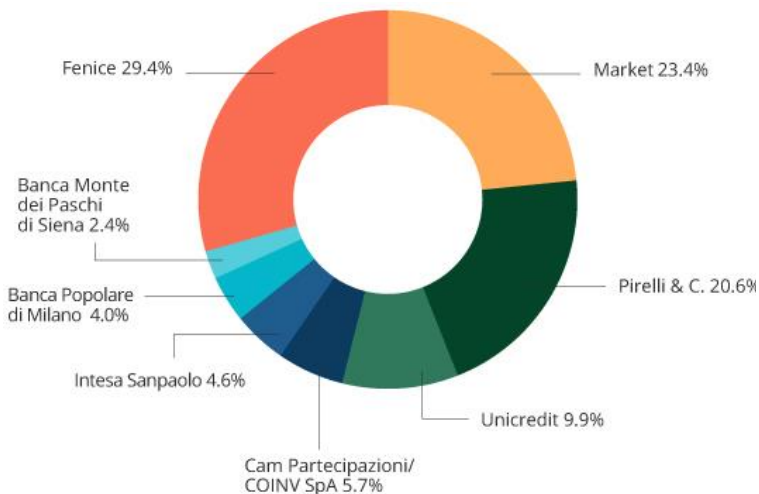
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Appendix

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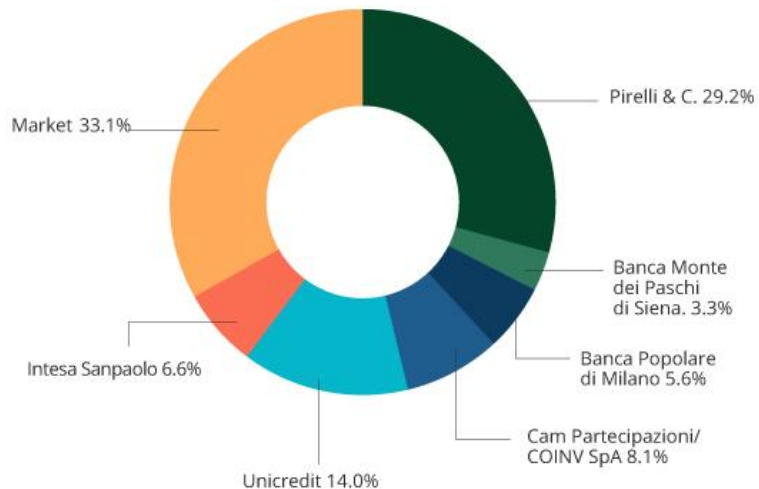
Ownership structure

Below a glance at the current shareholder structure of the Company after the capital increase and the conversion of Prelios convertible debenture loan that took place on 9 April 2014:

ECONOMIC SHARE CAPITAL



SHARE CAPITAL WITH VOTING RIGHTS



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1H 2015 Group Results

(€/m)

	A ACTUAL JUNE 2015 DISCONTINUED	C ACTUAL JUNE 2014 DISCONTINUED	DELTA (A - C) / C
Revenues Mgmt Platform	29,0	34,9	-17%
Revenues investment	3,8	0,3	<i>n.m.</i>
TOT Revenues	32,8	35,2	-7%
EBIT Mgmt Platform & Holding	(3,6)	(0,2)	<i>n.d.</i>
<i>o/w management platform</i>	1,6	6,0	-73%
<i>o/w Holding</i>	(5,2)	(6,2)	16%
EBIT investment	(7,1)	(5,4)	-30%
TOT EBIT	(10,7)	(5,6)	-91%
Financial charges	(4,4)	(10,9)	60%
Extraordinary Items	0,5	(23,7)	<i>n.m.</i>
(1)			
TOT PBT	(14,6)	(40,2)	64%
Discontinued operation	3,2	4,9	<i>n.m.</i>
Net income	(13,1)	(37,6)	65%
	ACTUAL JUNE 2015 DISCONTINUED	ACTUAL DEC 2014	
Net Equity	93,4	107,3	
Net Financial Position	191,1	187,6	
Cash	73,2	77,2	
Cash available	13,2	31,3	

1) Actual June 2015 includes +2.5 m of real estate writedowns and revaluations and -2.0 m of restructuring costs and one off items.