

# Bit Market Services

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*Testo del comunicato*

Vedi allegato.



PRESS RELEASE

**THE BOARD OF DIRECTORS OF PRELIOS FINALIZES SPIN-OFF OF NON-CORE ASSETS AND INVESTMENTS**

**MASTER AGREEMENT SIGNED BY PRELIOS AND PARTNERS INTESA SANPAOLO, PIRELLI & C. AND UNICREDIT FOR IMPLEMENTATION OF THE EXTRAORDINARY SPIN-OFF TRANSACTION AND EQUITY STRENGTHENING**

**NEW AGREEMENT SIGNED WITH LENDING BANKS TO RESTRUCTURE THE DEBT**

**THE OVERALL TRANSACTION INCLUDES:**

- GO-AHEAD TO CONFER ON A NEWCO THE INVESTMENT BUSINESS UNIT OF THE COMPANY AND A PORTION OF THE OVERALL CORPORATE DEBT OF € 174 M TOGETHER WITH THE CONTRIBUTION OF € 20 M IN CASH
- ENTRY OF NEW PARTNERS INTO THE NEWCO THROUGH A RESERVED CAPITAL INCREASE OF € 12 M
- GOVERNANCE OF THE NEWCO GIVING PRELIOS MINORITY VOTING RIGHTS AND CONSEQUENT DECONSOLIDATION
- AN AGREEMENT SIGNED FOR THE ACQUISITION OF THE 10% STAKE IN PRELIOS SGR CURRENTLY HELD BY INTESA SANPAOLO

IN ADDITION, THE TRANSACTION WILL INCLUDE A CAPITAL INCREASE FOR PRELIOS OF € 66.5 M, VIA OPTIONS TO SHAREHOLDERS, GUARANTEED BY LENDING BANKS ON NON OPTED STOCK, TO BE LAUNCHED BY THE END OF THE YEAR

*Milan, 8 October 2015* – The Board of Directors of Prelios S.p.A. (“**Prelios**” or the “**Company**”) met today to resolve on the extraordinary transaction called Project Centauro, approved on 6 August 2015 involving, as already disclosed to the market, **the living-off of business assets relating to real estate investments and joint investments by Prelios** (the “**Investments**”) from service assets (asset and fund management, integrated equity services, brokerage and valuation services, credit servicing, the “**Services**”), to be transferred to a new company vehicle (Newco), only initially controlled by Prelios (the “**Project**” or “**Transaction**”). Within the framework of the Transaction, Partners entering the Newco with a reserved capital increase of € 12 M and the approval of governance for the vehicle including voting rights mechanisms, will strip Prelios of control of the Newco, which will be deconsolidated as a result.

Specifically, the Board of Directors acknowledged the completion of the decision-making process by “Intesa Sanpaolo S.p.A., Pirelli & C. S.p.A. and UniCredit S.p.A. (the “**Partners**”) as well as all

the Lending Banks<sup>1</sup> in relation to the Transaction, with specific reference to the approval of the restructuring of the overall bank debt of the Company, a precondition – it should be remembered – of the current Project.

With the acceptance and sharing of the terms and conditions for the Project by all the subjects involved, the following agreements were signed:

- an agreement between Prelios, and its Partners governing the implementation of the Transaction (“**Master Agreement**”);
- an agreement between the Company and the Lending Banks to restructure the bank debt (the “**New Restructuring Agreement**”).

Within the overall framework of the Transaction and according to the terms and conditions set out in the Master Agreement and New Restructuring Agreement, the Board of Directors approved the entire Transaction which includes the following:

- a. transfer of the Investment business unit, with total assets, substantially in line with the values of charge, of about € 308 M, together with a nominal financial debt of about € 174 M, on a Newco. The value of the transfer of the business unit was established pursuant to section 2343-ter, paragraph 2, sub-section b) of the Italian Civil Code, by Prof. Mario Massari, an independent expert of tried and trusted experience and professionalism, uninvolved and without interests in the Transaction, which will be published on the Company website before the Shareholders’ Meeting convened for 16 October. With reference to the financial debt to be conferred by Prelios, this will include a contribution of € 20 M in cash, in order to provide Newco with adequate finances;
- b. the subsequent entry of the Partners in the Newco via a reserved capital increase of € 12 M and governance including the specification of voting rights mechanisms, will lead to loss of control of Newco by Prelios and the consequent deconsolidation of Newco. In this way, neither Prelios nor the Partners will control Newco, allowing the company to dispose of its assets in an orderly manner, including to repay the financial debt transferred. Specifically, Prelios will be a minority shareholder (but with the majority of financial rights) and hence will measure the company with the equity method;
- c. signing of a sales agreement for the acquisition of the stake of Intesa Sanpaolo S.p.A. in Prelios SGR, representing 10% of the share capital<sup>2</sup>;
- d. an increase in the share capital of Prelios of € 66.5 M, offered as an option to Prelios shareholders, with a guarantee on the stock not taken up by lending banks, including € 48 M to repay corporate debt, € 12 M cash to Prelios and € 6.5 M for the acquisition of 10% of Prelios SGR, the stake held by Intesa Sanpaolo.

In the light of the undertakings given by the parties involved, the completion of the activities required before executing the Transaction (the “Transaction Execution”) is subject to a number of conditions precedent, which, in addition to the ones already occurred, include:

- approval by Prelios’ Extraordinary General Meeting convened for 16 October 2015, of the proposed amendment to Art. 5 of the Articles of Association (share capital and shares) in order to give the Directors the power to increase share capital pursuant to Art. 2443 of the Italian Civil Code, to which end the Directors’ Report has already been published;
- obtaining authorisation for the Transaction as a whole from the relevant Antitrust Authorities;

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<sup>1</sup> Intesa Sanpaolo S.p.A., UniCredit S.p.A., Banca Monte dei Paschi di Siena S.p.A., Banca Popolare di Milano Soc.Coop.a r.l., Banca Popolare di Sondrio Soc.Coop.p.A., Banca Popolare dell’Emilia Romagna Soc.Coop., with Banca IMI S.p.A. as Agent.

<sup>2</sup> The value of the stake was confirmed by a fairness opinion issued by Prof. Giorgio Pellati, an independent expert of tried and trusted experience and professionalism without an interest in the Transaction.

- exemption from the requirement to launch a public purchase offer by the parties to the Transaction;
- all conditions specified in the New Restructuring Agreement being met.

With the signing of the final agreements relating to the Transaction and pursuant to the decision by the Extraordinary General Meeting convened for 16 October, and pursuant to the Transaction Execution following the satisfaction of the conditions precedent, the *pro tempore* Board of Directors in office will immediately be empowered to implement the provisions of Art. 2443 of the Italian Civil Code with regard to the desired objective of completing the envisaged Prelios Capital Increase up to a total of € 66.5 M (including any premium) within the current financial year. This is subject to authorisation by the Authorities regarding the publication of the Offer Prospectus issued to the shareholders, and the listing of Prelios S.p.A. ordinary shares on the MTA market (*mercato telematico azionario*) which is organised and managed by Borsa Italiana S.p.A..

For further details on the structure, terms and conditions of the Transaction please see the abovementioned Directors' Report which has already been made available to the public in anticipation of the Extraordinary General Meeting of 16 October, and will be communicated to the market through the publication, by law, of the Disclosure Document relating to transactions with related parties (as set out below).

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As mentioned, the Transaction is designed to restructure the Company, strategically repositioning it as a pure management company with a business model which is exclusively focused on services. The strengthening of the overall financial and equity position of the Company through the deconsolidation of the bulk of the financial debt is to allow the Company to take advantage of the development opportunities offered by the market, and participate in the process of consolidation which the sector is currently undergoing.

It is considered that this will allow Prelios to take best advantage of the opportunities which will be offered by the market in the form of potential strategic partnerships, in the best interests of the shareholders and all the stakeholders.

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As already mentioned in the press release on 6 August this year, Prelios' Board of Directors has approved the 2015-2017 Business Plan (the "**Plan**") as part of the Project. In addition to setting out a detailed, comprehensive roadmap for the Group restructuring (towards a pure management company model), and the relaunch of Prelios as the European benchmark provider of property and related financial services, it also contains the information relating to the Company's return to health through the restructuring of the financial debt, which, as mentioned as part of the transaction, will be transferred to the transferee company part-owned by the Partners, with Prelios as a minority shareholder. The Plan was developed on the assumption that the Transaction and the Prelios Capital Increase will both take place.

On this subject, the accuracy of the corporate information and the feasibility of the Plan was certified and sworn on 7 August 2015 - in accordance with Art. 67, paragraph 3, letter d), of Royal Decree no. 267 of 16 March 1942 - by Mario Civetta, an independent expert of tried and trusted experience and professionalism without an interest in the Transaction. This certification was further sworn on 14 September 2015, unreservedly confirming the validity of its background, contents and conclusions. This version was the same as the previous one except for the summarising of a number of passages to prevent the publication of certain detailed numbers and sensitive information, which was used in the certification process but which is confidential in the current competitive environment. This certification was registered with the Milan Companies' Register on 8 October 2015. The certified Plan has also been published on the Company's internet site [www.prelios.com](http://www.prelios.com).

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Lastly, it should be noted that the Board of Directors has deemed the Project to be a transaction between related parties in the context of the participation of Pirelli & C., Intesa Sanpaolo and UniCredit.

In particular, as intragroup related-party transaction of major importance, the Project was unanimously approved by the Company's Board of Directors on 6 August 2015 following a unanimous favourable, binding opinion from the Transactions with Related Parties Committee (which is exclusively made up of independent, non-executive directors) pursuant to the regulations and laws in force and the Procedure for Transactions with Related Parties adopted by the Company.

With the conclusion and formalisation of the contractual agreements which took place on this day between all the involved parties, the Company shall - by 15 October 2015 - make available to the public the **Disclosure Document** relating to the intragroup related-party transactions of major importance pursuant to Art. 5 of the Regulation adopted by Consob Resolution 17221 on 12 March 2010, as subsequently amended.

The Disclosure Document shall be made available pursuant to the law, at the Company's registered offices in Milan, Viale Piero e Alberto Pirelli 27, with Borsa Italiana S.p.A., with the authorised file storage system *eMarket Storage* ([www.emarketstorage.com](http://www.emarketstorage.com)) and published on the Company's website [www.prelios.com](http://www.prelios.com) (in the Governance section).

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Pursuant to Art. 70, paragraph 8 and Art. 71, paragraph 1-bis of the Issuers' Regulations issued by Consob, the Board of Directors has decided to exercise its right to exempt itself from the obligation of publishing the prescribed disclosure documents to be issued when there are significant mergers, spin-offs, capital increases involving contributions made in kind, acquisitions and divestments.

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Prelios was advised on this Transaction by Lazard S.r.l. on financial matters, by the Studio Legale Chiomenti on legal matters – also in relation to the Transactions with Related Parties Committee - and by Avv. Prof. Andrea Zoppini.

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**For further information:**

PreliosPress Office

Tel. +39.02.62.81.4089 - Cell. +39.335.735.71.46

[pressoffice@prelios.com](mailto:pressoffice@prelios.com)

Prelios Investor Relations Tel. +39.02.62.81.4104

[ir@prelios.com](mailto:ir@prelios.com)

[www.prelios.com](http://www.prelios.com)

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