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PRESS RELEASE

THE BOD APPROVES THE 2015 DRAFT SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS¹

BUSINESS PLAN TARGETS CONFIRMED FOR 2016 AND 2017 2015 FIGURES ARE IN LINE WITH THE TARGETS ANNOUNCED TO THE MARKET NOTWITHSTANDING THE SLIGHT DECLINE IN REVENUES

- € 70.1 MILLION IN REVENUE FOR THE SERVICES PLATFORM² (€ 71.7 MILLION IN 2014)
- € 7.3 MILLION IN EBIT FOR THE SERVICES PLATFORM³ (€ 12,5 MILLION IN 2014)
- € -44.5 MILLION IN NET LOSS ATTRIBUTABLE TO THE GROUP (€ -61.1 MILLION IN 2014), MAINLY DUE TO THE LOSS (€ -8.9 MILLION) AND NON-RECURRING ITEMS (€ -20.1 MILLION) OF THE INVESTMENT PORTFOLIO CONTRIBUTED TO FOCUS INVESTMENTS
- € -184.9 MILLION NET FINANCIAL POSITION (€ -187.6 MILLION AT 31 DECEMBER 2014)

THE PROCESS OF REPOSITIONING AS A PURE MANAGEMENT COMPANY COMPLETED WITH THE CONCLUSION OF THE INVESTMENT SPIN-OFF AND THE CAPITAL INCREASE

- CORPORATE BANK DEBT⁴ REDUCED TO APPROXIMATELY € 20 MILLION (FROM € 258.5 MILLION IN 2014)
- POST-CAPITAL INCREASE PRO FORMA NET FINANCIAL POSITION € +5.8 MILLION (€ -187.6 MILLION IN 2014)
- THE BOARD THANKS OUTGOING SERGIO IASI FOR HIS WORK AND APPOINTS RICCARDO SERRINI AS GENERAL MANAGER

CALL OF SHAREHOLDERS' MEETING

Milan, 21 March 2016 – Meeting today, the **Board of Directors of Prelios S.p.A.** has examined and approved the 2015 Draft Separate and Consolidated Financial Statements, which will be submitted to the next Ordinary Shareholders' Meeting.

The Company Board of Directors, who had already acknowledged the results of the recent share capital increase, has also expressed its appreciation for the successful conclusion of the process of repositioning the Company as a pure management company through the spin-off of real estate assets to the new special purpose vehicle Focus Investments, the debt restructuring and the

1 In business terms, the consolidated financial statements give a better view of the Group as a whole, which is comprised of numerous companies in which Prelios has an investment.

2 Net of general and administrative (G&A) expenses.

3 EBIT of the management platform refers to what the Company generates through fund management, specialised real estate services (Integra, agency and valuation) and NPL management services (credit servicing), net of general and administrative expenses (G&A), for Euro -8.1 million (Euro -11.8 million at 31 December 2014). Gross of G&A (Holding) costs, the total at 31 December 2015 was Euro -0.8 million (Euro +0.6 million in 2014).

4 Nominal amount.

Rights Offering subscribed for approximately 92% by the market, with the remaining amount being subscribed by Intesa Sanpaolo through the conversion of financial receivables.

Today, Sergio Iasi, Prelios S.p.A.'s Chief Executive Officer, resigned from his position having met the objectives he set out to achieve, most recently the successful Rights Offering. Mr Iasi has led the company since 2013 and successfully completed Prelios' repositioning as a pure management company. The Board of Directors and the Shareholders thank him for his work. In order to ensure management continuity and given the new structure achieved, which is fundamental to the company's future growth and the creation of a European asset management hub, the Board of Directors set up a General Management department, without appointing – for the time being – a new CEO, and granted Riccardo Serrini all operating powers in this respect. Mr Serrini will maintain his role as CEO of Prelios Credit Servicing, the Group's platform specialised in non-performing loans; moreover, together with the management team of the individual business divisions, he will be responsible for the development and the focussing on asset management activities and services.

Former CEO and CIO of Prelios SGR and with more than 20 years of experience as a manager, of which 15 in the real estate finance industry, Riccardo Serrini has originated, structured, distributed and managed more than Euro 12 billion of debt, quasi equity and equity transactions, real estate securitizations (CMBS/RMBS) and non-performing loan acquisitions.

GROUP OPERATING PERFORMANCE AT 31 DECEMBER 2015

The Group had **consolidated revenue** of Euro 70.9 million, compared with Euro 72.1 million at 31 December 2014. In particular, **services platform revenue**⁵, from inside and outside Italy was Euro 70.1 million, down slightly from Euro 71.7 million in 2014 and slightly less than the targets announced to the market.

EBIT⁶ was a negative Euro 9.7 million, as compared with Euro 15.0 million at 31 December 2014. It was composed as follows:

- the **services platform activities**⁷ had **positive EBIT for Euro 7.3 million (12.5 million at 31 December 2014) in line with the targets announced to the market.**
- **investment activities**⁸, i.e. the EBIT generated by Prelios through its own investments in funds and companies, **totalled a negative Euro 8.9 million** (Euro +14.4 million in 2014, as it included a considerable gain from the sale of an area in Poland).

The net loss attributable to the Group was Euro 44.5 million, marking an improvement from the net loss of Euro 61.1 million in 2014. The reduction in the net loss from the last year stemmed, *inter alia*, from the reduced impact of impairment of real estate.

Real estate sales⁹ during 2015 **totalled Euro 549.2 million** (amount attributable to the Group: Euro 141.3 million), compared with Euro 877.7 million at 31 December 2014.

The net financial position¹⁰ at 31 December 2015 was a negative Euro 184.9 million (Euro -187.6 million in December 2014) in line with the trend tracked by **cash attributable to the Group.**

5 Net of general and administrative (G&A) expenses.

6 Figure composed of EBIT, to which is added net income from equity investments and income from shareholder loans, adjusted by restructuring costs and property writedowns/writebacks. The recognised amount does not reflect the impairment loss of the NPL portfolio (Euro 1.9 million in 2015 and Euro 6.3 million in 2014).

7 Net of general and administrative (G&A) expenses.

8 The recognised amount does not reflect the impairment loss of the NPL portfolio (Euro 1.9 million at 31 December 2015 and Euro 6.3 million at 31 December 2014).

9 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 31 December 2015.

10 Excluding shareholder loans.

Consolidated equity totalled Euro 66.0 million (Euro 107.3 million at 31 December 2014) and the **equity attributable to the Group** was Euro 63.2 million (Euro 104.8 million at 31 December 2014).

Effects of the extraordinary spin-off transaction and conclusion of the repositioning process as a pure management company

In the first few months of 2016, the Company successfully completed the extraordinary spin-off transaction. This was marked by the spin-off of the investments business unit, restructuring of the debt and the Euro 66.5 million rights offering that was subscribed by approximately 92% by the market and the remainder by Intesa Sanpaolo through the conversion of financial receivables. On the basis of the pro forma figures, in consequence of the transaction:

- The corporate bank debt¹¹ of Prelios was reduced by Euro 238.5 million to Euro 20.1 million, in consequence of the full release of Prelios from joint liability related to the debt contributed to Focus Investments and the completion of the rights offering;
- New conditions were defined for the remaining Euro 20.1 million of Prelios. These new conditions were added to the original loan agreement and the Restructuring Agreement with the Lending Banks¹². Inter alia, these new conditions postpone the due date beyond the horizon of the Business Plan;
- Consolidated equity amounts to approximately Euro 123 million after the share capital increase;
- The net financial position improved by Euro 190.7 million from the Euro -184.9 million at 31 December 2015 to Euro 5.8 million.

PERFORMANCE OF THE BUSINESS DIVISIONS AT 31 DECEMBER 2015¹³

ITALY

The revenues of the Italian Services Platform at 31 December 2015 total Euro 57.4 million (Euro 56.3 million at 31 December 2014). The Services Platform in Italy had positive EBIT of Euro 4.5 million at 31 December 2015, down from the Euro 9.5 million reported in 2014. Specifically in regard to the performance and prospects of the individual companies of the domestic services platform, it is noted that:

Prelios SGR (Fund management) had a total of Euro 16.7 million in revenue (Euro 20.5 million in 2014) and positive EBIT of Euro 3.6 million (Euro 7.3 million at 31 December 2014).

The reduction in revenue is attributable both to termination of management of the listed fund Olinda Fondo Shops, whose liquidation was completed in the first half of the year, and to the reduction in management fees generated by the Tecla Fund, for which an extension has been requested. Prelios SGR had about Euro 3.8 billion in assets under management at 31 December 2015.

With respect to new projects, during the year, Prelios SGR established a new fund called Aurora by contributed assets and a collection fund called Weybridge. Furthermore, it established three new funds, two of which are focused on social housing, which will become operational in early 2016. Moreover, Prelios SGR has taken over the management of two real estate funds, bringing the new projects under way to six. Activities also continued to increase the amount of assets managed through the funds already under management, with the acquisition and contribution of new properties, and continuation of property development projects.

¹¹ Nominal amount.

¹² 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 Carige S.p.A. – Cassa di Risparmio di Genova e Imperia, Banca Popolare dell'Emilia Romagna Soc.Coop., with Banca IMI S.p.A. as Agent Bank.

¹³ The results shown in this part (net of restructuring costs and property writedowns/writebacks) can be related both to the result of the services activities and the investment activities, inclusive of the income from shareholders' loans, while they do not include the related general and administrative costs (G&A/holding).

Prelios Credit Servicing, a Group company operating in the non-performing loan management sector, with a gross book value (GBV) under management of Euro 9.5 billion at 31 December 2015, had revenue of Euro 9.5 million in the same period (Euro 7.7 million at 31 December 2014). EBIT was a negative Euro 0.7 million, marking an improvement over the Euro -1.4 million at 31 December 2014. The fees generated by ICR8 made a positive contribution to earnings.

Prelios Integra had revenue of Euro 20.9 million, up from Euro 19.1 million in 2014. This increase is mainly due to the improved results from the general building contract activity related to the remodelling of Unicredit bank branches and for due diligence and urban planning activity (Unicredit Leasing, Aeroporti di Roma, Abaco Servizi, Unipol, CDP SGR). It had EBIT totalling a positive Euro 1.4 million, down from Euro 2.5 million in 2014. This decrease stemmed partly from the higher costs incurred for professional engagements related to subcontracting of the land registry compliance service, the costs for services related to the general building contract and urban planning activity, and the costs incurred for legal advice.

Prelios Agency had a total of Euro 3.6 million in revenue (Euro 5.0 million in 2014) and negative EBIT of Euro 0.9 million (positive Euro 0.8 million at 31 December 2014). During the year, the Company was awarded new contracts and renewed a number of commercialisation agreements worth approximately Euro 478 million. Furthermore, it was assigned new important leases worth roughly Euro 9 million. Over the year, an annual agreement was concluded with Telecom Italia S.p.A. for the renegotiation of rents on industrial and mixed-use properties, as well as sales mandates for office, retail and residential property portfolios of major investors, such as Finanziaria Internazionale SGR, CDP Investimenti SGR, UnipolSai Real Estate, Unicredit and BNP Paribas Reim SGR.

Prelios Valuations is the Group company providing valuations of individual properties and real estate portfolios for service sector and residential use, specialising in valuation services for banks. In 2015 it had revenue of Euro 6.7 million (Euro 4.0 million at 31 December 2014) and positive EBIT of Euro 1.1 million (positive Euro 0.3 in 2014). The uptick in the first indicator stemmed largely from higher loan services revenue and does not entirely reflect on the result due to the different mix of margins.

GERMANY

The revenue generated by the German management platform reported at 31 December 2015 totalled Euro 12.3 million (Euro 15.1 million at 31 December 2014). The decrease is mainly due to the loss of some mandates which expired at the end of 2014 and which have not yet been fully offset by the new business. The German management platform had positive EBIT of Euro 3.2 million at 31 December 2015 (Euro 3.3 million in 2014).

POLAND

The revenue of the Polish management platform at 31 December 2015 totalled Euro 0.3 million (in line with the result at 31 December 2014). The EBIT reported by the Polish management platform was a negative Euro 0.3 million, marking a slight improvement from the Euro -0.4 million at 31 December 2014. Prelios Real Estate Advisory – REA was established and started up in the third quarter of the year. This firm is dedicated entirely to providing advice on the Polish market, complementing the business activities historically present in that country. The company aims to aggregate the demand of investors on the local market for advisory services in property investment, asset management and brokerage.

PARENT COMPANY PRELIOS S.P.A. AT 31 DECEMBER 2015

At 31 December 2015, Prelios S.p.A. reported a net loss of Euro 29.6 million, compared with a net loss of Euro 74.1 million in the previous year.

Operating revenue amounted to Euro 12.4 million, compared with Euro 14.5 million in the previous year, and mainly relates to staff services provided centrally by the parent company for its

subsidiaries, as well as the recovery of various costs (especially recovery of site costs), brand licensing and asset management fees. They also include the reversal of some provisions accrued in previous years. In 2014 they included Euro 2.5 million in income recognised from the subsidiary Edilnord Gestioni S.r.l. (in liquidation) following the settlement of lawsuits related to past contract work managed for Inpdap.

The **operating loss**, including the net income from equity investments, was a negative Euro 33.0 million, compared to a loss of Euro 67.6 million in 2014. The improvement was primarily due to the reduction of the net decreases in the value of equity investments, which (net of the assessments included in the item "Net income (loss) from discontinued operations"), fell from Euro 64.9 million in 2014 to Euro 30.4 million in 2015. Other positive effects included the reduction in the operating loss (Euro 9.1 million for the year ended 31 December 2015, compared to Euro 18.2 million in 2014) and the change in dividends received, which amounted to Euro 6.5 million in 2015, compared to Euro 15.9 million in the previous year.

Financial operations, net of financial income included in "Net income (loss) from discontinued operations", generated a loss of Euro 0.7 million, compared with a loss of Euro 16.7 million in the previous year. At 31 December 2015, financial income included the proceeds realised from early repayment, through payment of a lump-sum amount less than the par value, of the financial payable to UBI Banca, both for the senior and for the super senior loans. In 2014 this item was negatively impacted by the Euro 6.3 million adjustment of the junior securities. The residual change is related to the reduction in figurative costs recognised for the senior and super senior loans, and a positive effect in the foreign exchange delta on Polish zloty denominated loans.

Just as in the previous year, **net income (loss) from discontinued operations** refers to the income and expenses resulting from the assets and liabilities included in the "discontinued operations". This is the IFRS 5 classification used for the sale to others of shares in the real estate companies that own the German residential property portfolio, DGAG (Deutsche Grundvermögen GmbH). This result at 31 December 2015 totals a positive Euro 4.3 million and includes the adjustment to the investment in Solaia RE S.à.r.l. and the loans made on behalf of the subsidiary Prelios Netherland B.V. to the companies which owned the investment in the DGAG portfolio. In 2014 the positive result of Euro 9.6 million also included the Euro 1.2 million gain realised on the sale of the minority stakes held directly by Prelios S.p.A. in the German companies belonging to the DGAG Group.

SUBSEQUENT EVENTS

On 21 March, the Company set up a General Management department and granted Riccardo Serrini all operating powers formerly held by the MD. He will be responsible for managing and, specifically, developing the business and focussing Service activities together with the business units' managers. On the same date, the Company approved the 2016 Budget that, within the framework of the 2015-2017 Business Plan, confirms the focus of the activity of the Prelios Group on the Services sector (asset and fund management, property & project management, agency, valuations and credit servicing) and the full start-up of the new market-oriented business model. This model requires new expertise and know-how to carry out the strategy of gradually reducing captive activities and growing the revenue from non-captive customers. In accordance with the 2015-2017 Business Plan, the 2016 Budget sets the following main short-term targets:

- stabilisation and growth of revenue of the services platform, improvement of margins for certain Group companies and implementation of the guidelines defined by the individual operating companies;
- full implementation of the mandate from DoBank (formerly UCCMB);
- development of new strategic projects for the Group, with a special focus on asset management markets (Prelios Europe). In line with current market trends and considering

asset management laws and regulations (“AIFMD”), Prelios aims to attract major international investors with instruments that are alternative to real estate funds;

- transformation of the German company's mission from a local operating company resulting from previous co-investments into the Prelios Group's second "hub" (after Italy), with responsibility for developing business in central and northern Europe;
- launch of new indirect investment vehicles (the Listed Real Estate Investment Company Project – “Project SIIQ”): exploiting recent changes in the law, and with the aim of attracting new foreign capital on Italian regulated markets, Prelios would like to promote the launch of a joint stock company in the form of a listed real estate investment company (SIIQ);
- continued focus on streamlining fixed costs.
- the 2016 Budget confirms the targets announced to the market as part of the 2015-2017 Industrial Plan approved by the Board of Directors on 6 August 2015.

BUSINESS OUTLOOK

Partly in light of the previously mentioned improvement in the reference market, Prelios has identified and is implementing a series of measures and initiatives at the level of the individual Group business units to implement the 2016 Budget approved by the Board of Directors on 21 March 2016 and the 2015-2017 Business Plan approved by the Board of Directors on 6 August 2015.

From the management standpoint, 2016 – with completion of the Centauro Extraordinary Spin-Off Transaction in the first quarter – will be dedicated to re-launching Prelios as a major European real estate and financial services centre.

As previously described in the part dedicated to “subsequent events”, the Company approved the 2016 Budget that confirms the following economic targets already announced to the market with the 2015-2017 Business Plan:

- **Services Platform turnover:** between Euro 100 million and Euro 105 million;
- **positive EBIT for the Services Platform, gross of G&A,** of Euro 10 to 12 million.
- 2017 economic targets confirmed for both turnover and EBIT and central costs reduction.

In conclusion, the Directors of Prelios believe that it is reasonable to assume the Group can continue operating as a going concern, inter alia in consequence of the Extraordinary Spin-Off Transaction that has just been completed and following the results of the 2016 Budget and 2015-2017 Business Plan.

Information about the termination of the employment relationship with Sergio Iasi

Considering the early termination of his position, the remuneration due to Mr Iasi, in line and in compliance with the Company’s Remuneration Policy and with the favourable opinion of the Remuneration Committee (in its role of Related Party Transactions Committee), totals Euro 1,560,000, being the total of the fixed and variable remuneration that he would have accrued until the end of his term of office. Euro 40,000 will be paid as a compromise amount in addition to the above amount before 30 March 2016. As of the same date, Euro 400,000 will be paid in four quarterly instalments as part of a one-year non-competition agreement.

SHAREHOLDERS' MEETING 2016

The Board of Directors has resolved to convene the Shareholders' Meeting to approve the 2015 Financial Statements by delegating the Chairman authority to select the day, time and place of the meeting to be held on single call, updating the date of 29 April 2016 previously announced to the market.

The Ordinary Shareholders' Meeting will be asked to resolve on:

1. Financial Statements at 31 December 2015. Related and consequent resolutions.
2. Appointment of a Director and/or reduction in the number of Board members. Related and consequent resolutions.
3. Appointment of the Board of Statutory Auditors:
 - appointment of the Standing and Alternate Statutory Auditors;
 - appointment of the Chairman of the Board of Statutory Auditors;
 - determination of the remuneration of the members of the Board of Statutory Auditors.
4. Remuneration Report: consultation on the Remuneration Policy.

§

The folder containing the Draft Financial Statements and the 2015 Consolidated Financial Statements and the additional documentation related to the items listed on the agenda of the Shareholders' Meeting shall be provided by the legal deadline at the head office of the Company in Milan, Viale Piero e Alberto Pirelli no. 27, and published on the website (www.prelios.com).

The same documents will also be made available at Borsa Italiana S.p.A. and on the authorised eMarket Storage website (www.emarketstorage.com).

The Manager in Charge of preparing the corporate accounts of Prelios S.p.A., Mr Marco Andreasi, certifies – pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance (Legislative Decree 58/1998) – that the accounting disclosures contained in this press release correspond with the information in the documents, books and accounting records of the Company.

This press release includes the following key alternative performance indicators to facilitate assessment of the operating performance of the Prelios Group: (i) EBIT, which is determined from the operating income (loss), to which is added the net income from equity investments, and the value of income from shareholder loans adjusted for restructuring costs and property writedowns/writebacks, excluding the impairment loss on the NPL portfolio; (ii) net financial position, represented by gross financial payables reduced by cash and cash equivalents, and the other current financial receivables. The aforementioned alternative performance indicators have not been audited by the independent auditor.

In compliance with Consob Notice No. 6064291 of 28 July 2006, the attached financial statements have not been audited by the independent auditor Ernst & Young S.p.A.

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1) PRELIOS GROUP - Reclassified Consolidated Income Statement

(Euro/million)	DECEMBER 2015	DECEMBER 2014
Consolidated revenues:	70.9	72.1
Management platform: operating result before restructuring costs, impairment and property writedowns/revaluations	(1.2)	0.6
Management platform: net income from equity investments before restructuring costs and property writedowns/revaluations	0.4	0.0
Management platform: impairment	0.0	0.0
Total Management Platform: Operating result	(0.8)	0.6
Investment activities: operating result before restructuring costs, loss from NPL portfolio valuation and property writedowns/revaluations	(14.8)	(8.8)
Investment activities: net income from equity investments before restructuring costs, loss from NPL portfolio valuation and property writedowns/revaluations	1.1	18.7
Investment activities: income from shareholder loans (1)	4.8	4.5
Investment activities: loss from NPL portfolio valuation	(1.9)	(6.3)
Total Investment Activities: Operating result	(10.8)	8.1
Operating result	(11.6)	8.7
Financial expenses	(13.5)	(22.5)
Profit (loss) before restructuring costs, property writedowns/revaluations and income taxes	(25.1)	(13.8)
Restructuring costs	(0.5)	(13.9)
Property writedowns/revaluations	(18.2)	(39.1)
Result before taxes	(43.8)	(66.8)
Income taxes	(4.9)	(2.8)
Net income (loss) from continuing operations	(48.7)	(69.6)
Minority interests	(0.1)	0.4
Consolidated net income/(loss) before discontinued operations	(48.8)	(69.2)
Net income (loss) from discontinued operations	4.3	8.1
Consolidated net income/(loss)	(44.5)	(61.1)

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

2) PRELIOS GROUP - Reclassified Consolidated Balance Sheet

(Euro/million)	DECEMBER 2015	DECEMBER 2015 PRO-FORMA	DECEMBER 2014
Fixed assets	289.2	155.4	334.2
of which investments in real estate funds and investment companies and shareholder loans granted (1)	219.9	87.3	273.6
of which goodwill	56.4	56.4	56.4
Net working capital	22.7	(6.7)	17.0
Discontinued operations	1.7	0.0	12.2
Net invested capital	313.6	148.7	363.4
Equity	66.0	122.6	107.3
of which group equity	63.2	122.6	104.8
Provisions	62.7	31.9	68.5
Net financial position from operating activities	184.9	(5.8)	187.6
Total covering net invested capital	313.6	148.7	363.4

(1) The item includes equity investments in associates, joint ventures and other equity investments (124.4 million euro), receivables for shareholder loans (81.1 million euro), investments in real estate funds (11.7 million euro, recognised among "Other financial assets" in the consolidated balance sheet) and junior notes (2.9 million euro, recognised among "Other financial assets" in the consolidated balance sheet). The figures for December 2015 and December 2014 include provisions for equity investment writedowns of 0.2 million euro and 0.4 million euro respectively.

3) PRELIOS - Assets Under Management by country and segment

(Euro/billion)		Market Value DECEMBER 2015 (***)	Market Value DECEMBER 2014 (***)
TOTAL CO-INVESTED AND THIRD PARTIES REAL ESTATE ASSETS		5.2	5.4
NON PERFORMING LOANS		0.2	0.2
REAL ESTATE		5.0	5.2
of which participated		2.3	2.9
of which ITALY	4.5	86%	4.1
of which GERMANY/POLAND (*)	0.7	14%	1.1
	5.2		5.2
ITALY participated			
DEVELOPMENT & OTHER (**)		0.3	0.4
RESIDENTIAL & TRADING		0.3	0.3
COMMERCIAL		1.0	1.1
TOTAL ITALY		1.6	1.8
GERMANY participated			
COMMERCIAL		0.6	1.0
TOTAL GERMANY		0.6	1.0
POLAND participated			
DEVELOPMENT & OTHER		0.1	0.1
TOTAL POLAND		0.1	0.1

(*) At December 2015 Poland is approx 1% on real estate portfolio (as at December 2014).

(**) Of which 0.2 billion euro in land at the end of 2015 (as at December 2014).

(***) Values determined by independent appraisers at the end of the period, except - for 2015 - the Highstreet real estate portfolio underlying the financial investment which was subject to valuation analyzes carried out by Group structures.

4) PRELIOS GROUP - Consolidated Income Statement

(amounts in thousands of Euro)

	01.01.2015- 12.31.2015	01.01.2014- 12.31.2014
Revenues from sales and services	70,908	72,124
Changes in inventories of work in progress, semi-finished and finished products	(2,749)	(2,002)
Other income	14,000	13,233
TOTAL OPERATING REVENUES	82,159	83,355
<i>of which with related parties</i>	23,292	29,927
<i>of which non-recurring events</i>	5,066	1,869
Raw and consumable materials used (net of change in inventories)	(1,791)	(3,224)
<i>of which non-recurring events</i>	70	(60)
Personnel costs	(36,049)	(38,828)
Depreciation, amortization and impairment	(1,234)	(2,373)
Other costs	(61,477)	(66,583)
TOTAL OPERATING COSTS	(100,551)	(111,008)
<i>of which with related parties</i>	(5,416)	(7,228)
<i>of which non-recurring events</i>	(6,087)	(15,825)
OPERATING RESULT	(18,392)	(27,653)
Net income from equity investments of which:	(14,862)	(14,769)
<i>of which with related parties</i>	(15,383)	(14,861)
<i>of which non-recurring events</i>	255	125
- portion of result of associates and <i>joint ventures</i>	(10,915)	(13,323)
- dividends	404	-
- gains on equity investments	118	1,009
- losses on equity investments	(4,469)	(2,455)
Financial income	10,175	5,564
<i>of which with related parties</i>	5,044	4,556
Financial expenses	(20,740)	(29,958)
<i>of which with related parties</i>	(334)	(721)
RESULT BEFORE INCOME TAXES	(43,819)	(66,816)
Income taxes	(4,933)	(2,831)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(48,752)	(69,647)
of which attributable to minority interests	104	(391)
Net income (loss) from discontinued operations	4,319	8,107
<i>of which with related parties</i>	-	8,760
CONSOLIDATED RESULT FOR THE PERIOD	(44,537)	(61,149)

5) PRELIOS GROUP - Consolidated Balance Sheet

(amounts in thousands of Euro)

ASSETS	12.31.2015	12.31.2014
NON-CURRENT ASSETS		
Property, plant and equipment	800	853
Intangible assets	58,595	59,082
Investments	123,732	150,104
<i>of which held for sale</i>	-	3,849
Other financial assets	25,151	16,254
Deferred tax assets	7,461	8,310
Other receivables	86,346	113,596
<i>of which with related parties</i>	81,088	108,355
TOTAL NON-CURRENT ASSETS	302,085	348,199
CURRENT ASSETS		
Inventories	39,317	43,472
Trade receivables	41,956	35,074
<i>of which with related parties</i>	16,538	18,758
Other receivables	19,701	17,773
<i>of which with related parties</i>	9,146	8,834
Cash and cash equivalents	72,607	77,192
Tax receivables	2,768	3,013
TOTAL CURRENT ASSETS	176,349	176,524
DISCONTINUED OPERATIONS	1,744	12,164
<i>of which with related parties</i>	1,744	9,964
TOTAL ASSETS	480,178	536,887
EQUITY	31.12.2013	12.31.2014
GROUP EQUITY		
Share capital	49,216	426,432
Other reserves	(8,980)	(15,940)
Retained earnings	67,477	(244,539)
Net income (loss) for the year	(44,537)	(61,149)
TOTAL GROUP EQUITY	63,176	104,804
MINORITY INTERESTS	2,871	2,488
TOTAL EQUITY	66,047	107,292
LIABILITIES	31.12.2013	12.31.2014
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	247,089	256,434
Other payables	5,527	524
Provisions for future risks and expenses	33,779	40,187
Deferred tax provision	2,527	2,156
Employee benefit obligations	11,103	12,080
Tax payables	-	122
TOTAL NON-CURRENT LIABILITIES	300,025	311,503
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	10,716	8,490
<i>of which with related parties</i>	5,141	6,576
Trade payables	54,902	47,316
<i>of which with related parties</i>	2,568	3,063
Other payables	25,017	40,917
<i>of which with related parties</i>	1,796	19,039
Provisions for future risks and expenses	15,409	14,510
<i>of which with related parties</i>	150	418
Tax payables	8,062	6,859
<i>of which with related parties</i>	-	1,080
TOTAL CURRENT LIABILITIES	114,106	118,092
TOTAL LIABILITIES	414,131	429,595
TOTAL LIABILITIES AND EQUITY	480,178	536,887

6) PRELIOS S.p.A. - Separate income statement

(amounts in Euro)

	01.01.2015- 12.31.2015	01.01.2014- 12.31.2014
Revenues from sales and services	3,406,539	3,504,095
Other income	9,031,886	11,012,839
TOTAL OPERATING REVENUES	12,438,425	14,516,934
- of which with related parties	6,844,568	10,297,704
of which non-recurring events	3,700,000	1,814,256
Raw and consumable materials used	(17,847)	(9,835)
Personnel costs	(5,857,660)	(7,969,008)
Depreciation, amortization and impairment	(177,776)	(255,726)
Other costs	(15,522,054)	(24,462,229)
TOTAL OPERATING COSTS	(21,575,337)	(32,696,798)
- of which with related parties	(7,800,460)	(9,308,272)
- of which non-recurring events	(939,936)	(5,809,716)
OPERATING RESULTS	(9,136,912)	(18,179,864)
Net income from equity investments, of which:	(23,864,354)	(49,458,922)
- dividends	6,478,470	15,934,241
- gains on investments	3,421,523	2,743,050
- losses on investments	(33,764,347)	(68,136,213)
- of which with related parties	6,478,470	15,934,262
- of which non-recurring events	254,527	124,800
Financial income	16,817,783	12,588,979
- of which with related parties	11,844,841	12,036,080
Financial expenses	(17,559,525)	(29,252,097)
- of which with related parties	(1,019,435)	(1,202,601)
RESULT BEFORE INCOME TAXES	(33,743,008)	(84,301,904)
Income taxes	(208,793)	536,405
- of which with related parties	96,012	1,775,096
NET (LOSS) FROM CONTINUING OPERATIONS	(33,951,801)	(83,765,499)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	4,329,468	9,635,779
- of which with related parties	236,385	683,782
NET (LOSS) FOR THE YEAR	(29,622,333)	(74,129,720)

7) PRELIOS S.p.A. - Separate balance sheet
(amounts in Euro)

ASSETS	12.31.2015	12.31.2014
NON-CURRENT ASSETS		
Property, plant and equipment	480,208	602,263
Intangible assets	286,033	322,317
Investments in subsidiaries	266,692,771	114,620,555
Investments in associates and joint ventures	1,920,286	36,395,145
Other financial assets	783,195	5,583,969
Deferred tax assets	1,310,700	2,166,873
Other receivables	9,918,065	137,423,692
- of which with related parties	9,918,065	137,423,692
TOTAL NON-CURRENT ASSETS	281,391,258	297,114,814
CURRENT ASSETS		
Trade receivables	8,015,588	11,681,499
- of which with related parties	7,912,425	10,418,227
Other receivables	11,283,537	42,295,255
- of which with related parties	7,935,696	40,044,805
Cash and cash equivalents	26,455,217	31,297,821
Tax receivables	2,525,500	3,144,831
- of which with related parties	1,700,256	2,858,867
TOTAL CURRENT ASSETS	48,279,842	88,419,406
DISCONTINUED OPERATIONS	-	32,564,000
- of which with related parties	-	30,364,000
TOTAL ASSETS	329,671,100	418,098,220
EQUITY	12.31.2015	12.31.2014
EQUITY		
Share capital	49,216,128	426,432,317
Other reserves	174,500	(3,145,683)
Net (loss) carried forward	-	(299,772,019)
Net (loss) for the year	(29,622,333)	(74,129,720)
TOTAL EQUITY	19,768,295	49,384,895
LIABILITIES	12.31.2015	12.31.2014
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	247,007,436	252,642,018
Other payables	520,589	520,589
Provisions for future risks and expenses	4,843,517	13,282,460
Employee benefit obligation	523,595	690,898
TOTAL NON-CURRENT LIABILITIES	252,895,137	267,135,965
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	36,514,749	72,510,341
- of which with related parties	36,514,749	72,510,341
Trade payables	13,606,782	13,142,003
- of which with related parties	4,245,754	3,490,982
Other payables	5,007,529	11,027,302
- of which with related parties	3,187,486	5,721,659
Provisions for future risks and expenses	1,094,670	1,395,833
Tax payables	783,938	3,501,881
- of which with related parties	783,938	2,549,923
TOTAL CURRENT LIABILITIES	57,007,668	101,577,360
TOTAL LIABILITIES	309,902,805	368,713,325
TOTAL LIABILITIES AND EQUITY	329,671,100	418,098,220

Fine Comunicato n.0579-35

Numero di Pagine: 15