



PRELIOS

December 2016 Results Presentation

27th April 2017

AGENDA

- ❑ *Overview Prelios Group*
- ❑ *December 2016 Results Presentation*
- ❑ *Shareholders Structure*

Overview Prelios Group

Overview Prelios Group

From a real estate company to a pure services management company

Listed on the Italian Stock Exchange since 2002, Prelios is a **leading asset management group providing a full range of real estate and financial services**. Prelios became a “**pure management**” independent company after the execution of the spin-off of the investment activity. The Group is active through different operating companies, which together form a well-known network rewarded for its quality and reliability confirmed by certifications as well as positive ratings by the international agencies.

Prelios, having already transformed its business model from captive to open market, aims to become the reference “asset manager and service provider” in Italy leveraging on **synergy and cross – fertilization** among the business units to finalize the relaunch and **strategic repositioning process**.



Overview Prelios Group

Prelios Group Profile

Prelios Group comprises an extremely well-qualified team which includes approximately 400 employees in Italy and abroad, with significant professional skills and a track record of excellence in the international arena with focus into:

Alternative Asset Management

- Prelios SGR (“SGR”): management of real estate funds and asset management
- Prelios Credit Servicing (“PRECS; Credit Servicing”): non and sub performing loans management – credit servicing

Real Estate Services

- Prelios Integra (“Integra”) integrated asset services, including property and project management, Prelios Valuations (“Valuations”) real estate appraisals and data quality and Prelios Agency (“Agency”) real estate agency services
- The Group is also active in Germany through highly specialized divisions in the commercial real estate segment. In Poland is mainly active in the management and improvement of areas under development



Overview Prelios Group

Activities and services

Alternative Asset Management

Prelios Credit Servicing

- **Gross Book Value under management is ca. €9.5bn** as of December 2016
- **Independent and regulated by Bank of Italy** (registered in April 2016 in the Single Register of Financial Intermediaries envisaged in Article 106 of the Consolidated Banking Act.)
- Active in:
 - **Special Servicing** (credit management and recovery)
 - **Master Servicing** (cash management, payments and reports)
 - **Corporate Servicing** (structuring and administration of SPV)
 - **Due Diligence and advisory** during acquisitions/disposals of portfolio
- **High ranking by rating agencies** confirms the reliability and solidity of PRECS:
 - **Standard & Poor's** ABOVE AVERAGE (February 2016) rating as Special and Master Servicer
 - **Fitch** Special Servicer (June 2016) rating of RSS2+/CSS2+.
- Acted as global Servicer for Banca Popolare di Bari transaction, the first public securitization backed by the Italian Government
 - “GACS”: this transaction involved a portfolio of approx. € 480m (GBV).

Prelios SGR

- **AuM approx. 3.9 € bln** as at December 2016 with **31 funds**, one of the leading players in Italy
- Active in structuring and managing investment funds with a consistent pipeline
- Actually expanding, in a competitive market, advisory and structuring services for leading institutional investors, both domestic and international, acting as partners to define their real estate investment strategies.

Overview Prelios Group

Activities and services

Real Estate Services

Prelios Integra

- One of Italian leading operators in integrated property management and project development services, with **approximately 6 € bln of assets under management**
- It provides a wide range of services covering the entire lifecycle of real estate asset (e.g. property, project, building management, HSE - Health & Safety, Environment / Energy, due diligence, urban planning and engineering advisory)

Prelios Valuations

- One of Italian foremost independent providers of appraisals for individual properties and real estate portfolios
- Currently engaged **to perform over 65,000 appraisals annually** and is one of the top companies providing appraisal services to banks in Italy (“Loan Services”)
- RICS compliant, recently widened the service offer with advanced risk management solutions

Prelios Agency

- Provides brokerage and advisory services to public and private investors as well as real estate funds and institutional investors

Prelios Real Estate Advisory/Immobilien Management

- The Group, with headquarters in Hamburg and Frankfurt, offers fund management and real estate services focused on commercial segment and in particular on the management of shopping centers and retail or mixed use properties for non-captive clients. Prelios Real Estate Advisory is specialized in advisory services in Poland, providing professional support in the full life cycle of an investment project, from market analysis, to identifying and selecting projects, audits, due diligence, loan management and asset management services.

Overview Prelios Group

Recent newsflow

- **Prelios Group:** *focus on Management Team.*

- **Prelios Credit Servicing:** *continuous newsflow:*
 - *Banca Popolare di Bari*
 - *CARIGE*
 - *Multioriginator*
 - *Rating update (Fitch)*
 - *Atlante fund*

- **Prelios SGR:** *new funds and pipeline:*
 - *Bernina Social Housing fund*
 - *Madison Imperiale fund*
 - *Logita fund*
 - *Iaso fund*
 - *Restart fund*
 - *Cloe and Areef fund*

- **Prelios Deutschland:** *fund set-up and investment management team completed*

- **Regulatory news:**
 - *Law 15/2017* ⇨ *Support the liquidity and the capital strength*
 - *Law 232/2016* ⇨ *PIR*

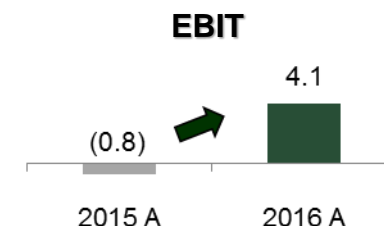
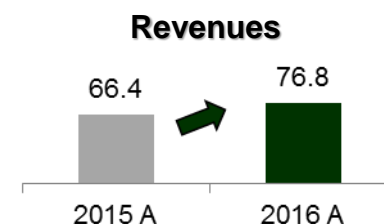
December 2016 Results Presentation

December 2016 Group Results Highlights

(€/mln)

	ACTUAL DEC 2016	ACTUAL DEC 2015	Δ ACTUAL 2016 vs ACTUAL 2015	Δ % ACTUAL 2016 vs ACTUAL 2015
Revenues	76.8	70.9	5.9	8%
<i>of which service activities</i>	76.8	66.4	10.3	16%
<i>of which other revenues</i>	0.0	4.5	(4.5)	
EBIT	4.1	(0.8)	4.9	592%
Investments	(18.8)	(29.0)	10.2	35%
<i>of which property writedowns/revaluations</i>	(0.2)	(20.1)	19.8	
Financial charges	(5.8)	(13.5)	7.7	
Restructuring costs	(6.5)	(0.5)	(6.0)	
Income taxes	(2.8)	(4.9)	2.1	
Discontinued operations		4.3	(4.3)	
Minority interests	0.0	(0.1)	0.1	
Net income after minority interests	(29.8)	(44.5)	14.7	33%

Consolidated Net Equity	91.0	66.0	24.9	38%
Statutory Net Equity	70.7	19.8	50.9	257%
Net financial position (NFP)	(6.5)	(184.9)	178.4	-96%



Prelios Group, on the basis of a reliable results delivery over last years and the completed turnaround, **is planning a 2017:**

- focused on achieving the right strategic positioning in the competitive scenario
- **with revenues > 2016 and consolidated ROS above mid single digit.**

December 2016 Group Results

Management Platform: Revenues and Ebit

(€/mln)

ITALY

		ACTUAL DEC 2016	ACTUAL DEC 2015	Δ ACTUAL 2016 vs ACTUAL 2015	
SGR	Revenues	17.3	16.7	0.5	3%
	Ebit	5.8	3.6	2.3	63%
	ROS	33.8%	21.4%		
NPL - Credit Servicing	Revenues	8.8	9.5	(0.6)	-7%
	Ebit	(0.3)	(0.7)	0.4	57%
	ROS	-3.6%	-7.8%		
Alternative Asset Management	Revenues	26.1	26.2	(0.1)	0%
	Ebit	5.5	2.8	2.7	94%
	ROS	21.2%	10.9%		
Integra	Revenues	22.7	20.9	1.8	9%
	Ebit	2.4	1.4	0.9	66%
	ROS	10.3%	6.8%		
Agency	Revenues	3.0	3.6	(0.6)	-16%
	Ebit	(0.1)	(0.9)	0.8	86%
	ROS	-4.4%	-26%		
Valuation	Revenues	10.5	6.7	3.8	57%
	Ebit	1.9	1.1	0.8	70%
	ROS	17.9%	17%		
Services Italy	Revenues	36.2	31.2	5.0	16%
	Ebit	4.1	1.6	2.5	159%
	ROS	11%	5%		
Management Platform ITALY	Revenues	62.3	57.4	4.9	9%
	Ebit	9.6	4.4	5.2	117%
	ROS	15.4%	7.7%		
Management Platform Foreign Countries	Revenues	14.1	12.7	1.4	11%
	Ebit	1.3	2.9	(1.5)	-54%
	ROS	9.4%	22.8%		
G&A (Holding)	Revenues	0.3	(3.6)	3.9	109%
	Ebit	(6.9)	(8.1)	1.2	15%
<u>TOTAL MANAGEMENT PLATFORM</u>					
	Revenues	76.8	66.4	10.3	16%
	Ebit Management Platform	4.1	(0.8)	4.9	591%
	ROS	5.3%	-1.2%		
	Revenues excluding G&A	76.4	70.1	6.4	9%
	Ebit Management Platform excluding G&A	10.9	7.3	3.6	50%
	ROS	14.3%	10.4%		

December 2016 Group Results

December 2016 and FY 2015 Consolidated Balance Sheet

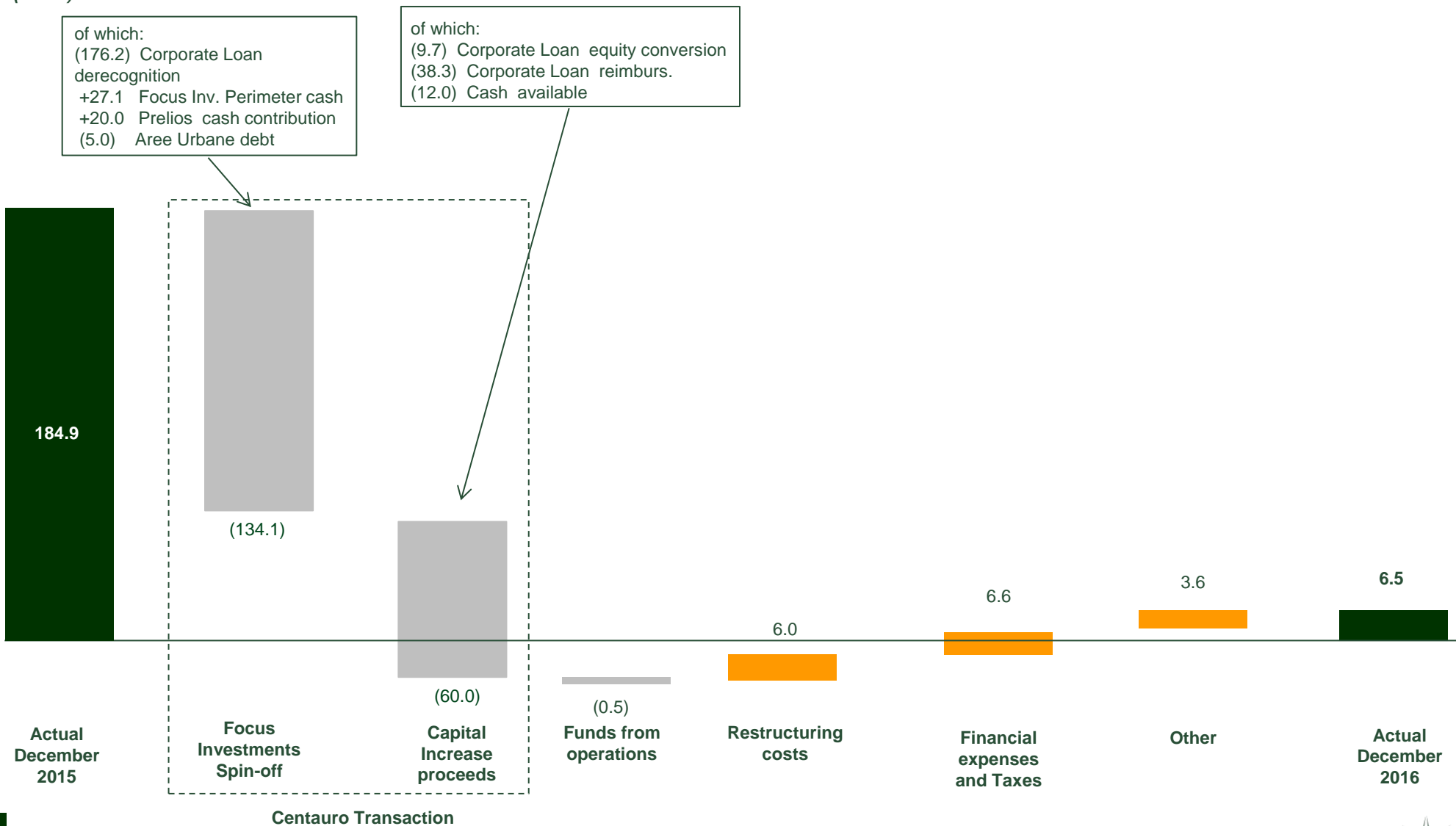
(€/mln)

	ACTUAL Dec 2016	ACTUAL Dec 2015
Fixed assets	132.1	291.0
<i>of which participations and shareholders' loan</i>	70.9	221.7
<i>of which goodwill</i>	56.4	56.4
<i>of which other fixed assets</i>	4.8	12.9
Net working capital	(3.6)	22.7
Inventories	0.0	39.3
Trade receivables	40.2	41.8
Trade payables	(42.7)	(54.9)
Other payables/receivable	(1.1)	(3.7)
Net invested capital	128.5	313.6
Net equity	91.0	66.0
Funds	31.0	62.7
Net financial position	6.5	184.9
Total sources	128.5	313.6

December 2016 Group Results

Net Financial Position Dec 2015 – Dec 2016

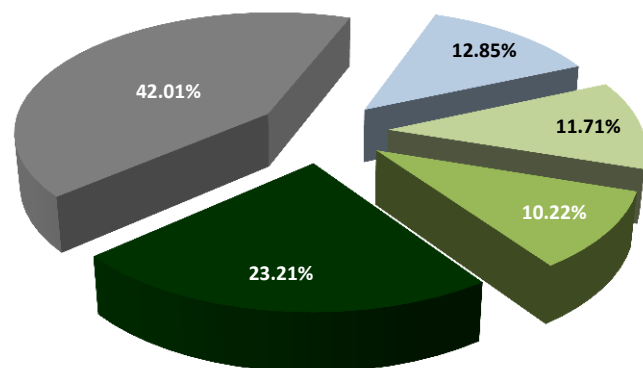
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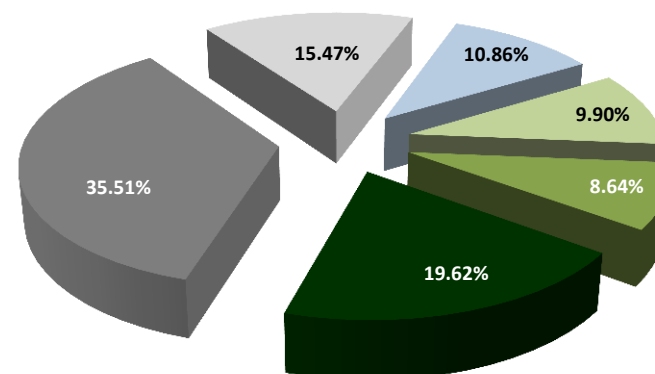
Shareholders Structure

Shareholders Structure

Voting share capital (excluding class B shares)



Economic share capital (including class B shares)



- Pirelli S.p.A.
- Unicredit S.p.A.
- Intesa Sanpaolo S.p.A.
- Prelios Shareholders' Agreement⁽¹⁾
- Market
- Fenice Srl⁽²⁾

(1) Prelios Shareholders agreement includes Deb Holding Srl, Negentropy Capital Partners Llp, Feidos S.p.A., Fondazione Renato Corti, Alexis De Dietrich, Energia Di Famiglia Srl, York European Distressed Credit Holdings II Llc, Lunelli S.p.A., Porto Allegro Srl, Fulvio Conti, Matteo Bruno Lunelli.

(2) Fenice Srl includes Pirelli & C. S.p.A., Uicredit S.p.A.. e Intesa Sanpaolo S.p.A.

Sergio Cavallino, Prelios's Financial Reporting Officer declares -pursuant to Legislative Decree No. 58 of 24 February 1998 "Consolidated Law on Finance" - the conformity of the accounting information contained in this presentation against document results, books and accounts records.

This document, includes forecast statements. Such forecasts are based on the current estimates and projections of the Group, relatively to future events and, due to their nature, are subject to an inherent component of risk and uncertainty. The actual results may significantly differ from those contained in said forecast statements due to several factors, including a continuous volatility and a further deterioration of stock and capital markets, changes in macroeconomic conditions and in economic growth and other variations of the business conditions, in addition to other factors, the majority of which is not under the Group control.