

PRESS RELEASE

PRELIOS: BOD APPROVES THE DRAFT FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS¹ FOR 2016

**2016 results in line with the targets announced to the market
Improvement in all key profitability and debt indicators**

Consolidated revenues up to € 76.8 million (€ 66.4 million² in 2015)

**Consolidated EBIT turned positive again to € 4.1 million (€ -0.8 million in 2015)
Management and Services Platform EBIT³ €10.9 MLN (€7.3 mln in 2015)**

**Consolidated net income of € -29.8 million (€ -44.5 million in 2015)
Improvement by € 14.7 million attributable both to ordinary operations and the investment component**

Net Financial Position € -6.5 million (€ -184.9 million as at 31 December 2015)

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SHAREHOLDERS' MEETING SCHEDULED ON 31 MAY 2017

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APPROVED 2017 BUDGET

Consolidated turnover equal to or higher than in 2016 and consolidated ROS higher than a mid single digit

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EXAMINED NON-BINDING OFFERS FOR PARTNERSHIPS IN PRELIOS SGR

Milan, 27 April 2017 – The **Board of Directors of Prelios S.p.A.**, which met today, reviewed and approved the **Draft Financial Statements and Consolidated Financial Statements 2016** which will be submitted to the **Ordinary Shareholders' Meeting** scheduled for 31 May.

The results as at 31.12.2016 **confirm the targets** announced to the market in the **2015-2017 Business Plan**.

Despite a context of persistent uncertainties in the real estate sector linked to the crisis - also with regard to the actual growth levels - in 2016 the **Prelios Group** recorded, compared to the previous year, a significant **improvement in all the main indicators** and in particular:

- an **increase by € 10.4 million** in **consolidated revenues**, which went from € 66.4 million in 2015 to € 76.8 million in 2016;

1 It is highlighted that the consolidated financial statements - from the industrial point of view - provide a better representation of the Group as a whole, the latter being made up of several companies owned by Prelios.

2 The value referred to the investment component (equal to € 4.5 million) was excluded from the 2015 turnover. Indeed, it is recalled that in 2016 Prelios completed the spin-off of the investment component into the company Focus Investments S.p.A..

3 Not inclusive of general and administrative (G&A) expenses.

- a **consolidated EBIT⁴** of €4.1 million (with consolidated ROS returned with a positive sign and equal to 5.3%), which posted a significant improvement compared to 2015 (€-0.8 million) turning positive once again thanks to higher business volumes, the recovery of margins by the operating Companies and the constant central costs reduction;
- **improvement by €14.7 million** of the **consolidated net income**, which went to €-29.8 million compared with -44.5 million in 2015;
- **improvement by €178.4 million in the net financial position**, which went from €-184.9 million at year end 2015 to -6.5 million at 31 December 2016.

Prelios Group performance at 31 December 2016

The **Prelios Group** recorded **consolidated revenues** of €76.8 million, **up 16%** compared to revenues of €66.4 million in 2015. The increase is equal to 8% including revenues from the investment component, amounting to €4.5 million in 2015 and subject to the deconsolidation during the year 2016.

The increase reflects the better performance of both the *Alternative Asset Management⁵* and the *Real Estate Services⁶*, and highlights the Group's organic growth. It is also confirmed, as announced at the Board meeting of 13 April, that the revenues of the Italian and foreign services platform (excluding, therefore, the revenues relating to the holding company equal to €0.4 million) amounted to €76.4 million in 2016, in line with the targets announced to the market.

Consolidated EBIT turned positive and amounted to €4.1 million, a **significant improvement** compared to the figure of -0.8 million recorded in 2015. The improvement compared to 2015 is a result of both higher business volumes and the recovery of margins recorded by the operating Companies (with an ROS of 14.3%, up by 3.9 percentage points compared to 2015), and of the central costs reduction strategy constantly pursued. **Consolidated ROS**, consequently, **returned with a positive sign** and, in 2016, is equal to 5.3%.

In 2016 the **Prelios Group** recorded a **net loss** of €29.8 million, compared to the net loss of 44.5 million in 2015. The **improvement** of €14.7 million is chiefly attributable to **ordinary operations** (+4.9 million) and the performance of the **investment component⁷**. Despite recording a net loss of 18.8 million (of which approximately 18 million deriving from Focus Investments S.p.A.), the investment component shows an **improvement of +10.3 million** compared to the result of €-29.0 million in 2015 mainly due to the impacts of property write-downs/revaluations.

Please note that the investment component is mainly represented by the non consolidated equity ⁸ held by Prelios in **Focus Investments S.p.A.**, an associated company and not controlled by the Prelios Group. With reference to this investment, we highlight the constant progress of the business plan, which in 2016 already achieved significant disposals, such as to allow Focus Investments to **repay more than 20% of the bank debt** allocated at the time of the spin-off. It is also recalled that 50% of the Focus Investments portfolio is focused on 5 events with an enhancement time horizon estimated at 24/36 months.

The net financial position⁹ at 31 December 2016 is equal to -6.5 million (€-184.9 million at 31

4 The Company's EBIT is understood as the value consisting of the operating result - inclusive of general and administrative expenses (G&A Holding) and adjusted for restructuring costs - and the net income/(loss) from equity investments related to the operating companies in Alternative Asset Management and Real Estate Services.

5 Asset and fund management activities carried out by the subsidiary Prelios Società di Gestione del Risparmio S.p.A. and activities in the sector of non-performing loans carried out by the subsidiary Prelios Credit Servicing S.p.A..

6 Specialist real estate services developed by Prelios Integra S.p.A., which offers property services and real estate technical services, as well as brokerage and valuation services carried out, respectively, by Prelios Agency S.p.A. and Prelios Valuations & e-Services S.p.A.

7 After the previously described extraordinary transaction involving spin-off of the business activities connected with real estate investments and co-investments from those connected with services activities, the Prelios Group recognises its investee Focus Investments S.p.A. (beneficiary of the spin-off) at equity. Therefore, the economic contribution made by the investment is recognised under the item "Net income from investments".

8 25% of voting rights and 87.2% of capital rights.

9 Excluding shareholder loans.

December 2015). The significant **improvement**, equal to €178.4 million compared to the NFP at the end of 2015, is due both to the effect of the **extraordinary spin-off transactions** of the real estate investments (the “Investments Business Unit”) in **Focus Investments S.p.A.** and **capital increase** – concluded in the first quarter 2016 – and to the **cash flows generated from ordinary activities**, still at signage levels, but **turned positive after three years**.

The Prelios Group's **net assets** amount to €91 million as at 31 December 2016 (66.0 million as at 31.12.2015).

Alternative Asset Management Performance

The Prelios Group's Alternative Asset Management activities, thanks to the combination of the results achieved by the companies **Prelios SGR S.p.A.** and **Prelios Credit Servicing S.p.A.**, recorded total revenues of €26.1 million, essentially in line with the final figure posted at 31 December 2015. The operating profit was €5.5 million, compared with €2.9 million in 2015.

- **Prelios SGR** manages a total of 31 AIFs (Alternative Investment Funds) (one of them listed), as well as management contracts for the divestment of two real estate portfolios. Revenues in 2016, largely represented by management commissions, totalled €17.3 million, up (3%) from the 2015 figure. Operating profit was €5.8 million, up compared with €3.6 million in 2015, thanks to the increase in revenue deriving from new initiatives and the ongoing process of structural and occasional cost containment. With regards to the development of new initiatives, Prelios SGR set up five new AIFs in the period, which brought assets under management to approximately €3.9 billion: Bernina Social Housing Fund, Madison Imperiale Fund, Logita Fund, IASO Fund and REstart Fund. In 2016, Prelios SGR also received a new mandate to manage the process of developing a property portfolio owned by a real estate company. Finally, activities continued to increase the volume of assets under management through funds already under management, with the acquisition, contribution and development of new properties replacing the assets of funds that have reached the end of their life cycle.
- **Prelios Credit Servicing** shows a turnover of €8.8 million in 2016 compared to 9.5 million in the previous year. The reduction is mainly due to revenues from non-recurring operations realised in 2015. The operating loss in 2016 is equal to €0.3 million, compared with a loss of €0.7 million in 2015. During the year the company acquired new assets under management of approximately €1 billion, in relation to the special servicing activity. The total gross book value (GBV) of the cross-asset portfolio under management, amounted to €9.5 billion. In the first half of 2016, Prelios Credit Servicing entered with a leading Italian bank into a framework agreement for the revolving assignment of non-performing positions predominantly of a mortgage nature requiring specialised assistance aimed at the enhancement and recovery thereof, mostly out of court. In June 2016, the Company had its rating upgraded by the agency Fitch (new rating of Rss2+/Css2+). The Company also assisted several international investors in competitive processes as part of securitization transactions pursuant to Law no. 130/99 of loan portfolios with a total exposure of approximately €6 billion. During 2016, a leading Italian banking group such as Banca Popolare di Bari selected through a competitive process Prelios Credit Servicing as servicer of a planned transaction for the sale of non-performing loans, the first in Italy with a public guarantee (GACS). In the last quarter of 2016 the same banking group, key player of the above-mentioned transaction, expressed its intention to proceed with the securitization of a further portfolio of non-performing loans (also NPLs). Following the success of the aforesaid transaction, the Company acted as promoter to the banking system of the obvious advantages which can be derived from the use of the GACS scheme as a means of maximising the enhancement of their NPL portfolios, significantly reducing the gap between realisable value through en bloc sale and net book value of non-performing loans. In this context, the Company was selected by Banca Carige, a leading North-west banking group for a securitization transaction (the second in Italy), making use of a state guarantee on a portion of the stock of non-performing loans, having a gross exposure equal to approximately €1 billion.

Thanks to a strong presence in the NPL market and the success of the first transaction under the GACS scheme, in 2016 the Company achieved a major strategic repositioning within the NPL market and the *first-mover* status in the implementation of innovative solutions aimed at the derecognition of receivables.

Real Estate Services Performance

The activities relating to Real Estate Services (both Italian and foreign) recorded total revenues of approximately €50.3 million, up approximately 15% compared to €43.8 million in 2015. The operating profit is equal to €5.5 million compared with the 4.5 million in 2015, which, among other things, had benefited from a few positive one-off items related to services in Germany.

- **Prelios Integra S.p.A.** recorded as at 31 December 2016 revenues of €22.7 million compared to €20.9 million in 2015. Operating profit was €2.4 million, compared with €1.4 million in 2015. In 2016, Prelios Integra continued the external growth process begun in the previous year of transforming itself from a business unit with primarily captive clients to a service provider capable of competing on the market independently from the Group, acquiring and developing relations with third-party clients. In order to strengthen the building management commercial services offering, the Company revolutionised the way services are provided by launching the ISM 1.0 (*Integra Smart Management*) software platform, which allows for the monitoring of maintenance activities of any building within the company's portfolio through an application and an app. Prelios Integra, which in December 2014 had obtained from the AGCCM (Italian Competition Authority) the Legality Rating with a score of 2 stars++, in 2016 obtained from IMQ the energy management system (EMS) certification ISO 50001, which is added to the certifications received previously including SOA certification, ISO9001:2008 Quality certification, BS OHSAS 18001 certification of the workplace health and safety management system, ISO 14001 certification for the environmental management system and SA 8000 certification for social responsibility. Finally, Prelios Integra extended its track record with two prestigious transactions, winning the tender by invitation for the maintenance and management of the Unicredit towers in Piazza Gae Aulenti, and that of the real estate funds i3-Inail and i3-Patrimonio Italia referred to Invimit SGR, the asset management company of the Ministry of the Economy and Finance.
- **Prelios Agency S.p.A.** recorded revenues of €3.0 million, compared with €3.6 million in 2015. Despite reporting an operating loss of €0.1 million, the result is an improvement over the €0.9 million loss reported in 2015. The improvement is mainly the result of a different revenue mix (with higher margins) and activities aimed at containing overhead costs. At 31 December 2016, Prelios Agency's portfolio of sales mandates amounted to approximately €1.6 billion, compared with €0.8 billion in 2015. In 2016, the Company continued with the process of its transformation from a company primarily dedicated to captive customers to a broker and advisor capable of providing third party customers with specialised services and a strategic partner in real estate brokerage for investors of a public or private nature, as well as for real estate funds and institutional operators.
- **Prelios Valuations S.p.A.** recorded revenues in 2015 equal to €10.5 million, a significant increase compared to €6.7 million the previous year. The significant increase is mainly related to the increase in revenue deriving from the Loan Services appraisal activity. The operating profit was €1.9 million, with increased margins compared to 2015 (€+0.8 million) thanks to the significant increase in volumes and the renegotiation of contracts with some major suppliers. Moreover, the important orders that Prelios Valuations was awarded in 2014 and 2015 with one of the leading Italian banking groups, are now fully operational. Still in favour of the same banking group, in 2016 Prelios Valuations won the tender for the provision of appraisals in the "energy" segment. We also note the award, during the first part of 2016, of two tenders launched by ENI Servizi S.p.A for the provision of real estate appraisal services in Italy and abroad.

- **Prelios Immobilien Management GmbH (Germany) and Prelios Real Estate Advisory Sp. z o.o. (Poland):** Prelios Immobilien Management's revenues in 2016 amounted to €13.7 million, an increase of 1.4 million compared to 2015. The operating profit is equal to €1.4 million compared to 3.2 million in the previous year, which had benefited from positive one-off items, while 2016 was impacted by the opening costs of the Frankfurt operation in preparation for start-up of the new "Prelios German Retail Property Fund" targeted at international institutional investors, which will focus on the management of shopping centres, department stores and retail properties in Berlin and in other West German cities. As regards the company **Prelios Real Estate Advisory**, established in 2015 in Poland with the aim of providing asset management, advisory and brokerage services, the operating result is essentially at break-even, and hence shows an improvement compared to the figure in 2015 (loss of €0.3 million).

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PARENT COMPANY PRELIOS S.P.A.

As at 31 December 2016, the Parent Company Prelios S.p.A. recorded **operating revenues** of €6.3 million, compared with 12.4 million in the previous year. The figure refers mainly to staff services provided centrally by the Parent Company in favour of the Subsidiaries, as well as the recovery of miscellaneous costs (in particular overhead costs) and use of the trademark. In 2015, operating revenues also included non-recurring items such as the release of some provisions made in previous years, as well as - in the amount of approximately €0.7 million - the fees for asset management services to the Subsidiaries, business transferred to the associate Focus Investments S.p.A. with the sale of the Investment Business Unit.

In 2016 the Parent Company recorded an operating loss, including the net income from equity investments, of €8.5 million, compared to a loss of €33.0 million in 2015. We note, in particular, an improvement in the net income from equity investments, which in 2015 included net impairment losses on equity investments of €30.4 million.

Financial operations show a loss of €3.8 million, compared with a loss of €0.7 million in the previous year. The decrease in interest income due to the transfer in the Investments Business Unit of the financial receivables claimed against investment companies, is more than offset by the reduction in interest expense (nominal and figurative) related to bank financing. Indeed, it is noted that, as at 31 December 2016 financial expenses include the negative economic effect without monetary impact of €3.4 million resulting from recognition of the difference between the book value and the face value of the financial debt, reduced by €48 million as part of the capital increase transaction. Conversely, in 2015 financial operations benefited from the gain realised on the premature repayment of the loan from UBI Banca, through payment on a lump sum basis of an amount less than its face value. This related both to the Senior and to the Super Senior loan.

Net income (loss) from discontinued operations in 2015 (positive in the amount of €4.3 million) referred to the income and expenses from assets and liabilities connected with "discontinued operations". In fact, disposal to third parties of the units of the real estate companies owning the German residential portfolio DGAG (Deutsche Grundvermögen GmbH) was classified as discontinued operations in accordance with IFRS 5; said transaction did not have any impact on the Parent Company's 2016 economic result.

Net loss amounted to €11.3 million, compared with the net loss of €29.6 million in 2015.

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Events subsequent to 31 December 2016

On 24 February 2017, Prelios Credit Servicing received confirmation of the Above Average rating from the rating agency S&P Global Ratings, as special servicer of residential and commercial mortgage loans and, simultaneously, received confirmation of its Above Average rating as master servicer of residential and commercial mortgage loans and unsecured loans.

On 13 April 2017, the Board of Directors of Prelios S.p.A. proceeded to co-opt - pursuant to art. 2386 of the Civil Code - Cesare Ferrero as Company Director, replacing Andrea Mangoni (former non-executive and independent Director) who had previously tendered his resignation. The Board of Directors also identified Cesare Ferrero as "Director in charge of the internal control and risk management system" pursuant to the Corporate Governance Code for listed companies, and qualified him - as a result of this appointment - as executive director.

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Approval of the 2017 Budget and outlook

At today's meeting the Board of Directors of Prelios S.p.A. also approved the **2017 Budget** and reviewed the guidelines for the definition of the Group's 2017-2019 Plan.

The year 2017, in continuity with reference to the corporate perimeter for Prelios, is a transition year for the Group to focus its service offering and to achieve better strategic positioning within the target market. This in view of the time required for the possible extraordinary transactions and the actual implementation of the commercial initiatives now in the *pipeline* in the services market in the NPL and *distressed assets* sectors.

In particular, the main targets of the Prelios Group's 2017 Budget are focused on the market of the outsourcing management of *distressed assets* - which has a growing demand also thanks to what was set forth by the European Central Bank - as a catalyst on which to develop *cross-fertilization* between the Group companies; on the achievement for Prelios SGR of growth also through external means; on the development of technical services with high added value on real estate and credit assets; and the constant focus on cost containment and reduction.

The **target for the year 2017** anticipates a **consolidate turnover** equal to or higher than in 2016 and a **consolidated ROS** higher than a mid single digit..

The **increase in revenues** and **profitability growth** will also represent the strategic focus of the **2017-2019 Business Plan**, which will be defined and approved in the second half of the year in the light of the evolution of the competitive processes launched regarding the possible *partnership* operations for the *Fund Management* business in Italy, and the enhancement of activities in Germany, as already announced to the market with the press releases of 28 July and 20 December 2016, and of 13 April 2017.

In conclusion, following the extraordinary *spin-off* transactions of the Investments Business Unit, the capital strengthening through a capital increase, as well as the results achieved in 2016, the Directors of Prelios consider it reasonable to assume that the Group may continue operating as a going concern in the light of the actions taken aimed at achieving the business development targets and the maintenance of an adequate financial balance.

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2017 SHAREHOLDERS' MEETING

The Board of Directors today resolved to convene the **Ordinary Shareholders' Meeting** to approve the Draft Financial Statements for 2016, giving a special proxy to the Chairman. The Meeting will be held in a **single call, on 31 May 2017**.

The Shareholders' Meeting will be called upon to resolve in ordinary session, on the following items:

1. Financial statements for the year ended 31 December 2016. Contingent resolutions.
2. Appointment of a Director. Contingent resolutions.
3. Appointment of the auditor for the 2017-2025 financial years and determination of their fees. Contingent resolutions.
4. Remuneration Report: consultation on the Remuneration Policy

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EXAMINED THE NON-BINDING OFFERS FOR PARTNERSHIPS IN PRELIOS SGR

At today's meeting, the Board of Directors also examined the non-binding offers concerning possible **partnerships involving the fund management activities in Italy (Prelios SGR)** received - as announced at the Board of Directors' meeting of 13 April - through the advisor Mediobanca.

The Board decided to continue with **some leading operators** of high *standing* the investigation and evaluation activities related to the structure of a possible *partnership* operation, characterised by aggregation and growth objectives, with the ultimate aim of reaching the formulation of *binding offers* to be received by the end of June.

On this occasion, it is recalled that Prelios also launched a competitive process to assess the possible enhancement of the **German activities**, which - following the analyses carried out today - envisages their possible sale to third parties; the non-binding offers are waiting to be received in relation to this process.

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The file concerning the Draft Financial Statements and Consolidated Financial Statements for 2016 as well as the additional documentation relating to the items on the Agenda will be available, according to the terms of law, at the Company's registered office in Milan, Viale Piero Alberto Pirelli n. 27, and published on the website www.prelios.com. The same documentation will also be made available at Borsa Italiana S.p.A. and through the authorised storage system eMarket Storage (www.emarketstorage.com).

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The Manager responsible for preparing the corporate accounting documents of Prelios S.p.A., Mr Sergio Cavallino, certifies - pursuant to art. 154-bis, paragraph 2, of the Consolidated Law on Finance (Legislative Decree 58/1998) – that the accounting information contained in this press release corresponds to the documents, books and accounting records of the Company.

This press release includes the following alternative performance indicators to facilitate assessment of the operating performance of the Prelios Group: (i) EBIT, which is determined by the operating income(loss), to which are added the net income(loss) from equity investments; (ii) net financial position, represented by gross financial payables reduced by cash and other cash equivalents and the other current financial receivables. The abovementioned alternative performance indicators have not been audited by the independent auditor.

In compliance with CONSOB Communication 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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For further information:

Prelios Press Office

Tel. +39.02.62.81.69747

pressoffice@prelios.com

Investor Relations Prelios Tel. +39.02.62.81.4104

ir@prelios.com

www.prelios.com

1) PRELIOS GROUP - Reclassified Consolidated Income Statement

(Euro/milion)	DECEMBER 2016	DECEMBER 2015
Consolidated revenues:	76.8	70.9
EBIT	4.1	(0.8)
Operating result Investment Activities	(18.8)	(29.0)
Financial expenses	(5.8)	(13.5)
Restructuring costs	(6.5)	(0.5)
Result before taxes	(27.0)	(43.8)
Income taxes	(2.8)	(4.9)
Net income (loss) from continuing operations	(29.8)	(48.7)
Minority interests	0.0	(0.1)
Consolidated net income/(loss) before discontinued operations	(29.8)	(48.8)
Net income (loss) from discontinued operations	0.0	4.3
Consolidated net income/(loss)	(29.8)	(44.5)

2) PRELIOS GROUP - Reclassified Consolidated Balance Sheet

(Euro/milion)	DECEMBER 2016	DECEMBER 2015
Fixed assets	132.1	289.2
of which investments in real estate funds and investment companies and shareholder loans granted (1)	70.9	219.9
of which goodwill	56.4	56.4
Net working capital	(3.6)	22.7
Discontinued operations	0.0	1.7
Net invested capital	128.5	313.6
Equity	91.0	66.0
of which group equity	91.0	63.2
Provisions	31.0	62.7
Net financial position from operating activities	6.5	184.9
Total covering net invested capital	128.5	313.6

(1) The item includes equity investments in associates, joint ventures and other equity investments and the related receivables for shareholder loans, net of provisions for equity investment writedowns for a net amount of 60.9 million euro) and investments in real estate funds for 10.0 million euro (recognised among "Other financial assets" in the consolidated balance sheet).

3) PRELIOS GROUP - Consolidated Income Statement

(amounts in thousands of Euro)

	01.01.2016- 12.31.2016	01.01.2015- 12.31.2015
Revenues from sales and services	76,761	70,908
Changes in inventories of work in progress, semi-finished and finished products	-	(2,749)
Other income	3,053	14,000
TOTAL OPERATING REVENUES	79,814	82,159
<i>of which with related parties</i>	18,411	23,292
<i>of which non-recurring events</i>	791	5,066
Raw and consumable materials used (net of change in inventories)	(186)	(1,791)
Personnel costs	(31,712)	(36,049)
Depreciation, amortization and impairment	(758)	(1,234)
Other costs	(50,927)	(61,477)
TOTAL OPERATING COSTS	(83,583)	(100,551)
<i>of which with related parties</i>	(5,496)	(5,416)
<i>of which non-recurring events</i>	(7,437)	(6,017)
OPERATING RESULT	(3,769)	(18,392)
Net income from equity investments of which:	(18,624)	(14,862)
<i>of which with related parties</i>	(18,728)	(15,383)
<i>of which non-recurring events</i>	-	255
- portion of result of associates and <i>joint ventures</i>	(18,534)	(10,915)
- dividends	76	404
- gains on equity investments	32	118
- losses on equity investments	(198)	(4,469)
Financial income	1,409	10,175
<i>of which with related parties</i>	1,092	5,044
<i>of which non-recurring events</i>	-	279
Financial expenses	(6,007)	(20,740)
<i>of which with related parties</i>	(345)	(334)
<i>of which non-recurring events</i>	-	(26)
RESULT BEFORE INCOME TAXES	(26,991)	(43,819)
Income taxes	(2,795)	(4,933)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(29,786)	(48,752)
of which attributable to minority interests	(8)	104
Net income (loss) from discontinued operations	0	4,319
CONSOLIDATED RESULT FOR THE PERIOD	(29,778)	(44,537)

4) PRELIOS GROUP - Consolidated Balance Sheet

(amounts in thousands of Euro)

ASSETS	12.31.2016	12.31.2015
NON-CURRENT ASSETS		
Property, plant and equipment	690	800
Intangible assets	57,381	58,595
Investments	60,124	123,732
Other financial assets	13,824	25,151
Deferred tax assets	7,028	7,461
Other receivables	120	86,346
<i>of which with related parties</i>	16	81,088
TOTAL NON-CURRENT ASSETS	139,167	302,085
CURRENT ASSETS		
Inventories	-	39,317
Trade receivables	40,229	41,956
<i>of which with related parties</i>	14,854	16,538
Other receivables	11,088	19,701
<i>of which with related parties</i>	5,754	9,146
Cash and cash equivalents	23,630	72,607
Tax receivables	1,393	2,768
TOTAL CURRENT ASSETS	76,340	176,349
DISCONTINUED OPERATIONS	0	1,744
<i>of which with related parties</i>	-	1,744
TOTAL ASSETS	215,507	480,178
EQUITY	12.31.2016	12.31.2015
GROUP EQUITY		
Share capital	55,678	49,216
Other reserves	44,603	(8,980)
Retained earnings	20,463	67,477
Net income (loss) for the year	(29,778)	(44,537)
TOTAL GROUP EQUITY	90,966	63,176
MINORITY INTERESTS	15	2,871
TOTAL EQUITY	90,981	66,047
LIABILITIES	12.31.2016	12.31.2015
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	23,914	247,089
<i>of which with related parties</i>	630	-
Other payables	521	5,527
Provisions for future risks and expenses	8,084	33,779
Deferred tax provision	2,362	2,527
Employee benefit obligations	11,419	11,103
TOTAL NON-CURRENT LIABILITIES	46,300	300,025
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	11,101	10,716
<i>of which with related parties</i>	4,892	5,141
Trade payables	42,693	54,902
<i>of which with related parties</i>	1,605	2,568
Other payables	14,688	25,017
<i>of which with related parties</i>	3,382	1,796
Provisions for future risks and expenses	9,172	15,409
<i>of which with related parties</i>	-	150
Tax payables	572	8,062
TOTAL CURRENT LIABILITIES	78,226	114,106
TOTAL LIABILITIES	124,526	414,131
TOTAL LIABILITIES AND EQUITY	215,507	480,178

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

(amounts in Euro)

	01.01.2016- 12.31.2016	01.01.2015- 12.31.2015
Revenues from sales and services	2,478,221	3,406,539
Other income	3,774,556	9,031,886
TOTAL OPERATING REVENUES	6,252,777	12,438,425
- of which with related parties	6,025,917	6,844,568
- of which non-recurring events	-	3,700,000
Raw and consumable materials used	(15,340)	(17,847)
Personnel costs	(4,807,812)	(5,857,660)
Depreciation, amortization and impairment	(143,752)	(177,776)
Other costs	(12,652,857)	(15,522,054)
TOTAL OPERATING COSTS	(17,619,761)	(21,575,337)
- of which with related parties	(5,998,430)	(7,800,460)
- of which non-recurring events	(3,717,857)	(939,936)
OPERATING RESULTS	(11,366,984)	(9,136,912)
Net income from equity investments, of which:	2,876,180	(23,864,354)
- dividends	15,345,476	6,478,470
- gains on investments	239,372	3,421,523
- losses on investments	(12,708,668)	(33,764,347)
- of which with related parties	15,345,476	6,478,470
- of which non-recurring events	-	254,527
Financial income	2,080,229	16,817,783
- of which with related parties	2,005,425	11,844,841
Financial expenses	(5,853,453)	(17,559,525)
- of which with related parties	(556,654)	(1,019,435)
RESULT BEFORE INCOME TAXES	(12,264,028)	(33,743,008)
Income taxes	962,931	(208,793)
- of which with related parties	1,783,688	96,012
NET (LOSS) FROM CONTINUING OPERATIONS	(11,301,097)	(33,951,801)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	-	4,329,468
- of which with related parties	-	236,385
NET (LOSS) FOR THE YEAR	(11,301,097)	(29,622,333)

6) PRELIOS S.p.A. - Separate balance sheet

(amounts in Euro)

ASSETS	12.31.2016	12.31.2015
NON-CURRENT ASSETS		
Property, plant and equipment	353,143	480,208
Intangible assets	271,100	286,033
Investments in subsidiaries	82,591,955	266,692,771
Investments in associates and joint ventures	28,396,281	1,920,286
Other financial assets	744,445	783,195
Deferred tax assets	1,882,881	1,310,700
Other receivables	10,765,559	9,918,065
- of which with related parties	10,695,559	9,918,065
TOTAL NON-CURRENT ASSETS	125,005,364	281,391,258
CURRENT ASSETS		
Trade receivables	6,927,478	8,015,588
- of which with related parties	6,808,699	7,912,425
Other receivables	12,614,783	11,283,537
- of which with related parties	9,603,073	7,935,696
Cash and cash equivalents	9,333,627	26,455,217
Tax receivables	1,908,192	2,525,500
- of which with related parties	1,561,568	1,700,256
TOTAL CURRENT ASSETS	30,784,080	48,279,842
TOTAL ASSETS	155,789,444	329,671,100
EQUITY	12.31.2016	12.31.2015
EQUITY		
Share capital	55,677,584	49,216,128
Other reserves	55,979,522	174,500
Net (loss) carried forward	(29,622,333)	-
Net (loss) for the year	(11,301,097)	(29,622,333)
TOTAL EQUITY	70,733,676	19,768,295
LIABILITIES	12.31.2016	12.31.2015
NON-CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	23,880,438	247,007,436
- of which with related parties	629,785	-
Other payables	520,589	520,589
Provisions for future risks and expenses	4,082,798	4,843,517
Employee benefit obligation	496,574	523,595
TOTAL NON-CURRENT LIABILITIES	28,980,399	252,895,137
CURRENT LIABILITIES		
Bank borrowings and payables to other financial institutions	35,898,029	36,514,749
- of which with related parties	30,102,191	36,514,749
Trade payables	12,728,932	13,606,782
- of which with related parties	2,902,876	4,245,754
Other payables	5,555,742	5,007,529
- of which with related parties	3,882,382	3,187,486
Provisions for future risks and expenses	1,327,120	1,094,670
Tax payables	565,546	783,938
- of which with related parties	565,546	783,938
TOTAL CURRENT LIABILITIES	56,075,369	57,007,668
TOTAL LIABILITIES	85,055,768	309,902,805
TOTAL LIABILITIES AND EQUITY	155,789,444	329,671,100

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