



Press Release

Milan, 7 June 2000

Preparations for flotation of Securfondo begin

**Immobiliare Italia Gestioni SGR, a BENI STABILI Group company,
prepares for listing of shares in its real estate fund**

Securfondo manages assets worth €150m

Immobiliare Italia Gestioni Società di Gestione del Risparmio SpA, a Beni Stabili Group company, has applied to the relevant authorities to list the shares in its closed-end real estate fund named SECURFONDO.

The Fund is divided into 60,000 shares with a par value of €2,500, amounting a total of €150m. The shares were placed on 26 November 1999 via Italy's cooperative credit bank network.

Once operative, at the end of November SECURFONDO immediately began implementing its investment programme. Properties with a value of €83m were purchased in December 1999, whilst further purchases worth €40m were approved by the Board of Directors in May 2000.

Including the latest purchases, which are in the process of being completed, 80% of the Fund has been invested in properties. The remaining liquidity is invested listed bonds that are readily convertible into cash.

SECURFONDO's property portfolio boasts a high annual average gross yield of around 7.5%. The properties, which are located in major Italian cities, are in a good state of repair and are fully occupied.

The Fund's flotation will offer investors greater price transparency and a more liquid market for their shares.

BENI STABILI, which has been listed on the Milan stock exchange since 2 November 1999, is a leading property company at both Italian and European level.

The property portfolio, worth a total of 1,338bn Italian lire at 30 June 1999 according to independent appraisers, consists primarily of commercial properties (85%) located in the cities of Milan (35%), Rome (19%) and Turin (8%). The rest of the portfolio includes residential (6%) and industrial (2%) properties and building land (7%).

Key properties in the Group's portfolio include buildings in Via del Corso, Viale dell'Arte and Via Boccabelli in Rome, buildings in Corso Matteotti, Piazza San Fedele and Corso di Porta Nuova in Milan, the old convent in Via delle Lame in Bologna, and Palazzo Contarini Corfù on the Grand Canal in Venice.

The Company's principal tenants are leading names: in addition to the Sanpaolo IMI Group, these include companies from the fields of telecommunications and merchant banking, and public sector entities.

BENI STABILI's main areas of business are:

- 1) property management and development (the renegotiation of lease agreements, improvements to occupancy rates, and purchase, disposal and development policies);
- 2) identification and implementation of new real estate initiatives in high-growth segments offering elevated returns;
- 3) the provision of innovative consulting services for trading, the management of real estate investment funds (the BENI STABILI Group launched the second fund to be set up in Italy, "Securfondo", in September 1999) and the provision of property and facility management services, exploiting the specialist know-how and technical skills of its management team.

The current balance sheet reveals a very low degree of leverage with shareholders' equity of 1,661bn Italian lire and net debt at the date the spin-off became effective of around 44bn Italian lire.

BENI STABILI intends to adopt targeted management strategies with the aim of achieving a significant improvement in average yields. Its consulting services, providing additional added value for the customer and thus higher margins for the property company, will account for a growing proportion of the Group's revenues, thereby contributing to an increase in earnings.

BENI STABILI's business environment shows undoubted promise, given the recent significant upturn in the real estate market.

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