



PRESS RELEASE

**CIR and Morgan Stanley funds
announce capital increase of 40 million euro
for HOLDING SANITÀ E SERVIZI**

CIR has signed an agreement with **Morgan Stanley Real Estate Special Situations Fund** and **Morgan Stanley Principal Investments**, already shareholders of HSS, to subscribe before June 30 2008 a capital increase for **Holding Sanità e Servizi (HSS)** of a total of 40 million euro. This capital increase will be subscribed by CIR for 20 million euro and by the Morgan Stanley funds for the same amount. The deal will be based on a valuation of the capital of the company, prior to the increase, of over 200 million euro.

After this deal and after the partial sales of holdings by some minority shareholders, the shareholding structure of HSS will be as follows:

CIR 65.4%
Morgan Stanley Funds 16.4%
S.Stefano Partecipazioni 9.6%
Wise SGR S.p.A. 6.8%
Management and other shareholders 1.8%

This injection of capital will fund the development of HSS, enabling it to strengthen its presence in the private healthcare market even through further acquisitions.

In the first half of 2008 the HSS Group has continued to strengthen its operating subsidiaries and to research new development opportunities to consolidated the presence of the Group in the healthcare sector. Today HSS is active in the following businesses:

- Managing **residences for the elderly**, with 35 residences under management and 4 more under construction (approximately 3,500 beds in operation and a further 450 under construction);
- Managing hospitals and **rehabilitation** centres, with 5 rehabilitation hospitals, 8 psychiatric rehabilitation communities and 13 outpatient centres, with a total of 1,100 beds already operational and 50 under construction;
- Managing a **hospital** and **high tech activities** in hospitals, with 7 diagnostic imaging departments.

The whole area of the business activities of HSS therefore contains a total of approximately 4,700 beds (as well as some 500 beds under construction) and in first quarter 2008 generated consolidated revenues of approximately 58.5 million euro.

Rodolfo De Benedetti, Chief Executive Officer of CIR, made the following statement: *“The deal announced today, as well as giving HSS fresh resources to fund its ambitious development plans, confirms the validity of CIR’s decision to enter this sector and shows the value created in just a few years starting from zero, a result that could not have been achieved without a top level management team, to whom I would like to extend my thanks.”*

Domenico Siniscalco, Vice Chairman of Morgan Stanley and Country Head for Italy, added: *“After our funds entered the capital of HSS last year, our participation in this new capital increase shows that we are in full agreement with the growth plan of the company and have confidence in the strategic vision of the management of HSS and of its controlling shareholder.”*

Milan, June 18 2008

CONTACTS

CIR GROUP www.cirgroup.it
EXTERNAL RELATIONS AND
PRESS OFFICE
Beppe Pescetto
Francesca Sagramoso
Tel.: +39 02 722701
e-mail: infostampa@cirgroup.it