

PRESS RELEASE

Morgan Stanley funds to have 10% of Holding Sanità e Servizi (CIR Group)

CIR informs that the funds **Morgan Stanley** Real Estate Special Situations Fund III, L.P. and **Morgan Stanley** Principal Investments Netherlands B.V. have signed a share capital increase in **Holding Sanità e Servizi (HSS)** for an amount of 16.3 million euro, thus acquiring a total stake of 10% in the capital of the Company controlled by CIR.

After this deal the shareholding structure of HSS is as follows:

CIR 76.4%

Morgan Stanley Real Estate Special Situations Fund III, L.P. 5%

Morgan Stanley Principal Investments Netherlands B.V. 5%

Wise SGR S.p.A. 9.2%

Management and other shareholders 4.4%

This capital increase will enable the presence of HSS in the private healthcare market to be developed and strengthened, even through further acquisitions.

Rodolfo De Benedetti, Chief Executive of CIR, commented: "We are happy to have a prime financial institution like Morgan Stanley join us in building a dynamic and efficient private healthcare group in Italy. Today's deal is prestigious recognition of the results achieved so far and confirms the value created in HSS in just four years of business."

Dante Roscini, Country Head of Morgan Stanley for Italy, added: "We are very satisfied with our investment in HSS, in view of the extraordinary track record of a management that I would define as the "best in its class". We consider the healthcare sector to be very interesting and we are confident that HSS will benefit from its position as leader to make the most of all the opportunities given by the development of the market over the next few years".

Holding Sanità e Servizi today operates through its subsidiaries in the following business areas:

- **Hospital services**, through the management of the Suzzara Hospital (Mantua) and of diagnostic imaging services in various public and private hospitals;
- **Rehabilitation**, through the management of the rehabilitation hospital San Giuseppe di Anzano del Parco (Como) and of rehabilitation units in residences for the elderly for a total of 195 beds;
- **Residences for the elderly**, through the management of 29 residences for non self-sufficient elderly persons for a total of 2,965 beds; a further 3 residences with a total of 288 beds are being built and will increase the business to 32 residences under management with approximately 3,250 beds;
- **Psychiatric residences**, through the management of 8 psychiatric rehabilitation units with a total of 195 beds.

The overall business of **HSS** now includes a total of 3,760 beds (including 288 beds under construction) which in 2006 generated consolidated revenues of approximately 100 million euro. Pro-forma revenues for 2006, calculated as though the acquisitions made during the year had had an economic effect from the beginning of the year, are in the region of 140 million euro.

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