



## **BENI STABILI S.P.A. SIIQ**

**ILLUSTRATIVE REPORT PREPARED BY THE BOARD OF DIRECTORS ON ITEM NO. 1 ON  
THE AGENDA OF THE SHAREHOLDERS' MEETING OF BENI STABILI S.P.A. SIIQ OF 7  
APRIL 2016, DRAWN UP PURSUANT TO ARTICLE 125-*TER* OF ITALIAN LEGISLATIVE  
DECREE NO. 58/1998**

## **ILLUSTRATIVE REPORT ON ITEM NO. 1 ON THE AGENDA**

### **1. Financial statements as at 31 December 2015 and related Management Report.**

**Board of Statutory Auditors Report on the period ended 31 December 2015.**

**Dividend distribution to shareholders.**

**Pertinent and consequent resolutions.**

Dear Shareholders,

As disclosed in the financial statements as at 31 December 2015 and the Management Report, the year closed with a net loss of 75,931,078.80 Euro.

As described in paragraph 6 in the notes to the Financial Statements as at 31 December 2015, the result for the year includes, pursuant to SIIQ regulations, a profit from tax-exempt operations of 46,740,681.68 Euro and a loss on taxable operations of 122,671,760.48 Euro. Consequently, in accordance with the reference regulations, the SIIQ company is under no obligation to distribute the result of tax-exempt operations.

The Board of Directors, taking into account that the result was significantly affected by extraordinary and non-recurring items, in the absence of which the result would be positive, proposes, subject to the approval of the financial statements as at 31 December 2015:

- to fully cover the loss for the year 2015, amounting to 75,931,078.80 Euro, through the use of: i) 60,492,596.59 Euro from the reserve pursuant to Law 169/83, which would consequently be zeroed; ii) 8,739,712.12 Euro from the reserve pursuant to Law 218/90, which would consequently be zeroed; iii) 102,132.00 Euro from the reserve pursuant to Law 124/93, which would consequently be zeroed; iv) 1,602,234.18 Euro from the non-opted rights convertible bond reserve, which would consequently be zeroed; v) 509,388.33 Euro from the convertible bond reserve, which would consequently be zeroed; iv) 74,876.00 Euro from the reserve related to the valuation of free stock option plans to employees, which

would consequently be zeroed; vii) 4,410,139.58 Euro from the demerger surplus reserve, which would decrease from 36,120,892.90 Euro to 31,710,753.32 Euro;

- to increase the unavailability constraint provided for in Art. 6 of Italian Legislative Decree no. 38 of 28 February 2005 by 32,593,766.79 Euro withdrawing this amount as follows: i) 31,710,753.32 Euro from the demerger surplus reserve, which would consequently be zeroed; ii) 883,013.47 Euro from the share premium reserve, which decreases from 341,448,612.69 Euro to 340,565,599.22 Euro. Consequently, the reserve pursuant to Italian Legislative Decree no. 38/2005, increases from 197,567,173.45 Euro to 230,160,940.24 Euro.

The amount of 32,593,766.79 Euro corresponds to revaluations of properties for the financial year in accordance with the fair value method, net of the effect on the existing reserve of write-downs during the period and of the release of the corresponding share attributable to properties sold in 2015;

- to integrate 7,076,975.84 Euro in the legal reserve, deducting the corresponding amount from the share premium reserve. The share premium reserve consequently decreases from 340,565,599.22 Euro to 333,488,623.38 Euro, while the legal reserve increases from 38,314,880.22 Euro to 45,391,856.06 Euro, reaching the limit of one fifth of the share capital provided for in Art. 2430 of the Italian civil code;
- to distribute to the shareholders a dividend of 0.024 Euro for each ordinary share in issue at the ex-dividend date, net of treasury shares held on that date, to be withdrawn as indicated below exclusively from the capital reserve.

Based on the number of outstanding shares (2,269,592,803 shares), net of treasury shares (961,000 shares), the total dividend would amount to 54,447,163.27 Euro, withdrawing the full amount from the share premium reserve, which would accordingly decrease from 333,488,623.38 Euro to 279,041,460.11 Euro.

The dividend will be paid on the ex-dividend date of 2 May 2016 (coupon no. 20), beginning from 4 May 2016. Specifically, pursuant to the regulations in force, the entitlement to the payment of profits is determined on the basis of financial records relevant to the end of the accounting day of the second open market day following the payment date (record date: 3 May 2016).

Should you agree with the above proposals, we invite you to adopt the following resolutions:

"the General Meeting,

- having examined the Financial Statements as at 31 December 2015, which include the Management Report;
- having read the Report of the Board of Statutory Auditors prepared pursuant to Art. 153, of the Italian Legislative Decree no. 58 of 24 February 1998;
- having taken note of the Independent Auditor's Report prepared by the Reconta Ernst & Young S.p.A. company, pursuant to Art. 14 and Art. 16 of Italian Legislative Decree no. 39 of 27 January 2010,

resolves

- to fully cover the loss for the year 2015, amounting to 75,931,078.80 Euro, through the use of: i) 60,492,596.59 Euro from the reserve pursuant to Law 169/83; ii) 8,739,712.12 Euro from the reserve pursuant to Law 218/90; iii) 102,132.00 Euro from the reserve pursuant to Law 124/93; iv) 1,602,234.18 Euro from the non-opted rights convertible bond reserve; v) 509,388.33 Euro from the convertible bond reserve; iv) 74,876.00 Euro from the reserve related to the valuation of free stock option plans to employees; vii) 4,410,139.58 Euro from the demerger surplus reserve;
- to increase the unavailability constraint provided for in Art. 6 of Italian Legislative Decree no. 38 of 28 February 2005 by 32,593,766.79 Euro withdrawing 31,710,753.32 Euro from the demerger surplus reserve and 883,013.47 Euro from the share premium reserve;

- to integrate 7,076,975.84 Euro in the legal reserve, deducting the corresponding amount from the share premium reserve;
- to distribute to the shareholders a dividend of 0.024 Euro for each ordinary share in issue at the ex-dividend date, net of treasury shares held on that date.

Based on the number of outstanding shares (2,269,592,803 shares), net of treasury shares (961,000 shares), the total dividend would amount to 54,447,163.27 Euro, withdrawing the full amount from the share premium reserve.

The dividend will be paid on the ex-dividend date of 2 May 2016 (coupon no. 20), beginning from 4 May 2016. Specifically, pursuant to the regulations in force, the entitlement to the payment of profits is determined on the basis of financial records relevant to the end of the accounting day of the second open market day following the payment date (record date: 3 May 2016);

- to grant all powers, without exclusion or exception, to the Board of Directors, hence to the Chairman and the Chief Executive Officer, permitting them, separately, if necessary via the appointment of special attorneys, to take all action and complete all formalities required to implement this resolution.”

Rome, 8 March 2016

For the Board of Directors

The Chairman

(Enrico Laghi)