



BENI STABILI S.P.A. SIIQ

Illustrative report pertaining to point 1 of the agenda of the ordinary shareholders' meeting of Beni Stabili S.p.A. SIIQ of 12 April 2018 drafted by the Board of Directors pursuant to Article 125-*ter* of Legislative Decree 24 February 1998 No. 58 and Article 84-*ter* of Consob Regulation No. 11971/99 and subsequent amendments.

1. Financial statements as at 31 December 2017 and related Board of Directors' Management Report. Board of Statutory Auditors' Report on the financial year closed on 31 December 2017. Dividend distribution to shareholders. Resolutions pertaining thereto and resulting therefrom.

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Dear Shareholders,

We inform you that the annual financial report as at 31 December 2017 will be available, in due time as required by law, at the Company's registered office in Rome, on the Borsa Italiana S.p.A.'s website (www.borsaitaliana.it), on the authorized central storage mechanism "1Info" (www.1info.it) and also on the Company's website.

As shown in the financial statements for the year ended on 31 December 2017 and in the Board of Directors' Management Report, the 2017 financial year closed with a net profit of €44,363,790.64.

The above results, as reported in paragraph 6 of the notes to the financial statements at 31 December 2017, include, pursuant to the relevant legislation of listed real estate investment companies (SIIQ), a profit of the tax-exempt operations equal to €78,314,962.46 and a loss of the taxable operations amounting to €33,951,171.82.

The Board of Directors proposes, subject to the approval of the financial statements for the year ended on 31 December 2017:

- to reclassify for €42,842,119.93 the Reserve subject to the unavailability system envisaged by Art. 6 of Italian Legislative Decree no. 38 of 28 February 2005, increasing the Reserve for retained earnings by the same amount. Consequently, the unavailable reserve pursuant to Italian Legislative Decree no. 38, on the valuation of real estate assets at fair value, would change from €309,828,314.49 to €266,986,194.56, while the reserve for retained earnings would change from €10,025,925.09 to €52,868,045.02.

The amount of €42,842,119.93 corresponds to: i) the amount of revaluations made in previous years on properties sold during the 2017 financial year; ii) the amount of 2017 write-downs of properties previously revalued. These amounts were reduced by the revaluations made in the 2017 financial year in application of the fair value criterion on real estate assets. Furthermore, the aforesaid amount refers to profits from the tax-exempt operations for €15,702,119.00 and to profits from taxable operations for €27,140,000.93;

- to distribute to shareholders a dividend of €0.033 for each of the ordinary shares outstanding at the ex-dividend date, net of treasury shares in portfolio. On the basis of outstanding shares (No. 2,269,592,803), net of treasury shares in portfolio (961,000), total dividends would amount to €74,864,849.50. The total net income of the financial statements for distributing dividends must be allocated for €44,363,790.64, while the remaining €30,501,058.86 would be taken from the Reserve of retained earnings, which would consequently decrease to €22,366,986.16. In particular, €15,702,119.00 would be

taken from the portion of the Reserve of undistributed earnings formed with profits from the tax-exempt operations and €14,798,939.86 from the share of the same reserve formed with profits from taxable operations. Dividend will be paid, against ex-coupon no. 22 on 7 May 2018, beginning on 9 May 2018. It must be noted that, pursuant to current legislation, the entitlement to payment of profits is determined on the basis of the accounting records relating to the end of the accounting day of the first settlement day following the coupon detachment date (record date: May 8, 2018).

If you agree with the above proposals, we therefore request that you adopt the following resolutions:

“The Shareholder's Meeting

- having examined the financial statements as at 31 December 2017 which include the Directors' Report on Operations;
- having taken note of the Report of the Board of Statutory Auditors drafted pursuant to Art. 153 of Italian Legislative Decree no.58 of 24 February 1998;
- having taken note of the Report of the Auditing Company EY S.p.A., drawn up pursuant to Art. 14 of Italian Legislative Decree no. 39 of 27 January, 2010, and 10 of Regulation (EU) no. 537/2014,

resolves

- to approve the financial statement as at 31 December 2017 and the related Director's Report on Operations;
- to reclassify for €42,842,119.93 the Reserve subject to the unavailability system envisaged by Art. 6 of Italian Legislative Decree no. 38 of 28 February 2005, increasing the Reserve for retained earnings by the same amount. Furthermore, the aforesaid amount refers to profits from the exempt operations for €15,702,119.00 and to profits from taxable operations for €27,140,000.93;
- to distribute to Shareholders dividends of €0.033 for each of the ordinary shares outstanding at the ex-dividend date, net of treasury shares in portfolio. On the basis of outstanding shares (No. 2,269,592,803), net of treasury shares in portfolio (961,000), total dividends amount to €74,864,849.50 to be taken: i) for €44,363,790.64 from the whole amount of the net profit for the year; ii) for €30,501,058.86 and, in detail, for €15,702,119.00 from the portion of the Reserve of undistributed earnings formed with profits from the tax-exempt operations and for €14,798,939.86 from the share of the same reserve formed with profits from taxable operations. Dividends will be paid, against ex-coupon no. 22 on 7 May 2018, beginning on 9 May 2018. It must be noted that, pursuant to current legislation, the entitlement to payment of profits is determined on the basis of the accounting records relating to the end of the accounting day of the first

- settlement day following the coupon detachment date (record date: 8 May 2018);
- to grant powers to the Board of Directors and, for it, to the Chairman and to the Chief Executive Officer, separately, also through executive officers, with the broadest powers, with none being excluded, so that they may comply with all the requirements and formalities connected to the execution of this resolution, including the activities deemed as necessary for the fiscal classification of distributed dividends.”

Rome, 9 March 2018

For the Board of Directors,
The Chairman
(Ariberto Fassati)