

Press release in accordance with Consob Regulation n. 11971/99

GABETTI PRESENTS THE 2006-08 STRATEGIC INDUSTRIAL PLAN

A turnover of 169 million euros and an EBITDA of 33.8 million euros estimated for 2008. In 2005, with the exclusion of non recurrent trading activities, estimated profits are approximately 73 million euro, while the EBITDA is expected to reach approximately 6.7 million euro, with a 19% operative margin.

Milan, 31st January 2006 - Gabetti Holding, a historical name in real estate intermediation in Italy with 146 estate agencies of their own and 564 in *franchising*, listed on the Italian Stock Exchange, during the today's board of directors has approved its 2006-2008 strategic industrial plan.

A significant element of the plan is the radical expansion to its range of products, which will allow Gabetti to establish itself as the first Italian **Full Service Provider** in the field of real estate in terms of innovation, diffusion and transparency, also thanks to the prestige and reliability of its *brand*.

In a macro-economic context that favours the growth of markets and real estate finance, the plan identifies three growth factors:

- Strengthening of historical business activities, first of all *retail* and *corporate* real estate intermediation, together with assessment, real estate co-investment activities and *retail* financial services
- An increase in new *businesses* in the field of *advisory* and *asset management*, real estate based services and management of losses on irrecoverable debts (NPL's)
- The acquisition or integration of *teams*, especially with regards to the offer of *corporate* financial services and technical services (eg. Technical and environmental *due diligence*, *building*, *facility* and *project management*).

The new initiatives will have a very deep effect on the economic account: Gabetti plans to increase its estimated 2005 turnover of 73 million euro (excluding non recurrent *trading* activities), with an EBITDA of approximately 6.7 million euro to a turnover of 160 million euro in 2008, with an increase of the EBITDA to 33.8 million euro (once again excluding non recurrent *trading* activities). The change will also be related to quality: if 80% of the turnover is currently due to real estate intermediation activities, in 2008 this quota will fall to 55%, while the historical *non-agency* activities (real estate co-investment, assessments, *retail* financial services) will increase to 25% and new *businesses* will increase to 20%.

Achievement of these objectives will be backed during the three-year period 2006-2008 by investments and costs of approximately 40 million euro: 23 million euro of which for advertising and marketing; 9 million euro for *recruiting*, personnel training and consultancy; 8 million euro for the creation of a new IT platform. During the same period the operative debt will fall from 30 to 12 million euro, much lower than the Group's net patrimony and also than the credit facilities previously granted by the banking system.

For further information

Sec Relazioni Pubbliche e Istituzionali - Gabetti Holding spa Press Office
Fabrizio Puddu: 0262499984 - 3356839561 - puddu@secrp.it - Luigi Santo: 0262499965 - 3494426014 - santo@secrp.it

Gabetti Holding spa
Maurizio Benassi - Direttore Generale Gabetti Holding spa - tel. 02 77551 - diraffarigenerali@gabetti.it

Elio Gabetti, President and Managing Director of Gabetti Holding spa commented: “*The plan presented today represents a turning point for the Group which, relying on its fifty years of presence on the market of real estate intermediation, wants to aim at maintaining a position of leadership in historical segments, attaining it in financial and technical services and acquiring an important position in other areas. All of this leads us to the STAR segment of the Italian Stock Exchange as our natural landing point*”.

The first important results are already expected in 2006, thanks to an estimated turnover of approximately 102 million euro, with a 39% increase compared with 2005, excluding non recurrent *trading* activities. The margin rate will however be lower compared with 2005 (once again excluding non recurrent *trading* activities), with an EBITDA of 1 million euro compared with the 6.7 million expected for 2005, at the rate of investments and costs sustained to support growth, for more than 14 million euro.

Maurizio Monteverdi, the Managing Director of Gabetti Holding spa comments: “*Achieving the objectives indicated in the plan will allow us to strengthen our position in the real estate market, it will allow for an expansion to the range of services offered for the residential and business market, including both retail and corporate and, most of all, it will allow for greater concentration on segments with a higher added value, allowing us in just three years to double our turnover and increase the EBITDA five fold. Once consolidated in Italy, we will definitely export our business model abroad.*”.

Forecasts for single lines of business

The **retail agency** activities will generate an EBITDA of approximately 12 million euro in 2008, with an average annual increase of 21%, thanks to reorganisation of the direct network that will result in a strong increase in productivity, the opening of 280 new agencies in *franchising* (in 2008 there will be 844) and broadening of real estate transaction activities besides residential use, up to 1 million euro.

The **corporate agency** activities will generate approximately 11 million euro of EBITDA in 2008, with an average annual increase of 49%, thanks to reorientation of the commercial *focus* on transactions exceeding 1 million euro and control through the opening of specific agencies in the provinces for greater attraction (the secondary market).

The creation of a network of 100 financial agencies dedicated to *retail* clients and entrance into the market of funding of *corporate* transactions, through the integration of active realities in the field, will provide a strong boost to the development, from a *multi-brand* and multi-product point of view, of distribution activities of **financial services** that will generate an EBITDA of more than 7 million euro in 2008.

With regards to the development of **real estate services** of high added value (*advisory, asset management, assessments*), Gabetti aims at activating strong group synergies: in 2008 the EBITDA generated by this activity will be approximately 2 million euro.

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With regards to the offer of **technical services** the Group aims to achieve market *leadership* in a short amount of time, through the acquisition of primary companies already active in this field. The development of such activities will generate an EBITDA of approximately 5 million euro in 2008.

Admission to the *business* of **management of losses on irrecoverable debts** (NPL's) will be implemented through a series of agreements with primary Italian and foreign credit institutions and in 2008 it will generate an EBITDA of 1.7 million euro.

A structure dedicated to product control will be created in the field of the supply of services for **real estate funds**: in 2008 this activity will provide a contribution of approximately 2.5 million euro to the Group's EBITDA.

With regards to activities related to **real estate co-investments**, the Group aims at the development of *business* services induced by real estate initiatives shared in a minority regime. The margin expected in 2008 will be approximately 6 million euro. 4 million of these will be strictly related to real estate co-investment activities (with an average annual increase of 33%), while 2 million euro will be related to ancillary services. (In the presentation of Group results the co-investment activities are considered in terms of the margin, not the turnover).

Last but not least, **Gabetti Cube** is born within the Group, an incubator of modern ideas which plays on creativeness and allows for *management* to snatch up the most important trends in fields "close" to the reference context, to generate *business* opportunities in fields that remain unexplored up until now.

The board of directors has also appointed Mr Ugo Giordano as Vice President of Gabetti Holding .

Milan. 31st January 2006

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