

Press Release 07/29/05

**Funds: The Sorgente SGR Caravaggio Fund half year report approved**

The Sorgente SGR board of directors has approved the half year report as at June 30, 2005 for the Caravaggio Real Estate Investment Fund, a fund open to private savers which showed an increase in NAV (€ 134,998,997) of 12% compared to its placement value (€ 120,560,000). At 30/06/05 the unit share value stands at € 2.799,41 compared to € 2,714.12 on December 31, 2004 (+ 3.14%). The performance of the fund which was floated on the Milan stock exchange on 12 May showed management revenues of € 4,113.28, which was "due to the profitable property acquisitions that have enabled the fund to invest its entire subscribed equity in less than 12 months," according to Stefano Cervone, CED of Sorgente SGR.

Real estate purchased includes buildings in the historic centers of Rome and Milan as well as in the South, in particular the Sicily Regional Council Urban Planning offices in Palermo.

The total funds invested in real estate, both direct and indirect amount to approximately 147 million euros at today's rates; mortgage linked debts amount to 23.2% of the total invested with a potential credit leverage of around 100% on the real estate investments. The fund's liquidity amounts to € 1,538,530, enough to satisfy the financial needs of the fund with the consequent optimization of the composition of the fund's portfolio. An event of particular note during the first half of 2005 was the release of the prestigious building in Via Senato 28, in Milan belonging to SAITES S.p.A., and 100% controlled by the fund, by the existing tenant, a circumstance which made an extremely advantageous repositioning of the building possible through rental at current market values. Enclosed is summary of the fund's assets and brief management data for the first half of 2005 duly distributed to the press (dated July 29, 2005)