PRESS RELEASE

- LAUNCH OF THE FIRST PRIVATE FUND PROMOTED BY REGIONE SICILIANA AND MANAGED BY PIRELLI RE SGR

- REGIONE SICILIANA AND SOME REGIONAL INSTITUTIONS CONTRIBUTE TO THE FUND 34 PROPERTIES FOR A VALUE OF €263 MILLION

- VALUE OF THE FUND, KNOWN AS FIPRS, NET OF DEBT, IS €105 MILLION, WITH A TERM SET AT 15 YEARS

- SHAREHOLDERS OF THE FUND ARE: 35% THE REGION OF SICILY, 33% RREEF GLOBAL OPPORTUNITIES FUND II, 22% PIRELLI RE; RREEF HAS UNDERWRITTEN THE REMAINING 10% WHICH WILL PLACE TO INTERNATIONAL INSTITUTIONAL INVESTORS

- REGIONE SICILIANA PLANS FURTHER CONTRIBUTIONS TO THE FUND WITH THE GOAL OF ENHANCING THE VALUE OF ITS PORTFOLIO

Milan, March 8th, 2007 – The Region of Sicily has promoted the first private fund through the contribution of public properties known as FIPRS-Fondo Immobiliare Pubblico Regione Siciliana, which will be managed by Pirelli RE SGR, with the support of RREEF Opportunities Management srl.

Last December the Pirelli RE Group's asset management company headed up a temporary business consortium consisting of Banca Caboto, Banca Intesa, Capitalia and MCC won the tender by the Region of Sicily for managing part of its property portfolio. The Fund has been set up through the contribution and sale by the Region and some regional institutions of 34 properties in their use, mostly as offices, with a transaction value of €263 million.

The properties, rented out to Regione Siciliana, are mostly located in the cities of Catania and Palermo and cover a space of almost 193,000 m². The fund's portfolio will include prestigious properties located on the most important streets of Palermo (for example, Via Notarbartolo and Viale Libertà) where several regional administrative offices (including the Agriculture, Budget and Family Services
Departments) and public institutions (including the Audit Court) are located. The total annual passing rent equals approximately €20.9 million, corresponding to a yield of 7.95%.

There are plans for making additional contributions to the fund with the goal of enhancing the value of the Region's enormous property portfolio.

The value of Fondo Immobiliare Pubblico Regione Siciliana, with a term set at fifteen years, is €105 million, corresponding to the transaction value of €263 million less around €158 million in debt assumed by the fund and entirely secured against the properties themselves.

The Fund is owned by the Region of Sicily with a 35% majority interest, by RREEF Global Opportunities Fund II with a 33% stake, by Pirelli RE with 22% stake and the remaining 10% has been underwritten by REEF which will place it to international institutional investors. RREEF is the real estate and infrastructure investment management arm of Deutsche Asset Management, the global investment management business of Deutsche Bank.

With the creation and management of Fondo Immobiliare Pubblico Regione Siciliana, one of the first contribution funds created at the request of a territorial public institution, Pirelli RE intends to position itself as a partner of reference for public institutions wanting to enhance the value of their property portfolios, estimated to have a market value of over €400 billion.

Banca Caboto (Intesa Sanpaolo Group) and Capitalia have acted as Placement Managers, Intesa Sanpaolo and MCC (Capitalia Group) as Financing Banks, Gianni, Origoni, Grippo & Partners as the Legal Advisor of the temporary business consortium and Chiomenti Studio Legale as the Legal Advisor of REEF. Scenari Immobiliari acted as the Independent Expert.

Intesa Sanpaolo is acting as the fund's Custodian Bank.

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