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PIRELLI & C. REAL ESTATE SELL NEW SENIOR CITIZENS’ RESIDENCE - BASED IN MILAN AND MANAGED BY ARGENTO VIVO - TO BPM ETHICAL FUND

Construction of the structure, selection of healthcare services manager and sale to ethical fund completed in 18 months

Milan, July 2nd, 2003 – Pirelli & C. Real Estate have sold to Investietico - the first ethical closed real estate fund of the Banca Popolare di Milano – a new residence for senior citizens based in Bollate, in the province of Milan; the operation marks Pirelli & C. Real Estate’s first project in the social welfare sector.

The structure is valued at 10.4 million Euro. The entire operation was carried out by the Healthcare Asset Management division of Pirelli & C. Real Estate. Drawing on the support of the Group’s project management and agency companies, the company took only eighteen months to complete the structure, select a healthcare services manager and close the sale of the property to a leading ethical fund.

The structure was built in an area of 8,000m² near Bollate hospital and offers facilities for 126 guests on 4 floors, totalling 7,400m² of space. The residence also features a 21-bed Alzheimer Unit. The complex will be run by Argento Vivo, a leading player in the sector, who have signed a 9-year rental contract with an option for a further nine years.

In the healthcare sector, Pirelli & C. Real Estate have decided to promote the work of new, young architects. In the case of Bollate, the project was assigned to Marco Veronesi, a sector specialist; his brief focussed in detail on the technical and quality-related features of the building so as to optimise the living standards of the residents at the centre.

As Carlo Puri Negri, the Managing Director of Pirelli & C. Real Estate put it: “In future the healthcare sector will become ever more important: over the next few years, the constant and growing impact of technology and of medicine will increasingly underline the need for the renewal and expansion of healthcare
provision at national level. To meet the need for development and modernisation in the national healthcare system we have created a dedicated structure within our Group - Healthcare Asset Management. Our aim is to fully exploit the innovative instruments created by new regulatory norms (the so-called Merloni-Quater law), such as project financing, for the implementation of works of public interest within the healthcare sector. We are currently studying a number of other projects and plan shortly to present two new initiatives in the sector in Milan and Genoa”.

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