



PRESS RELEASE

PRELIOS: TWO IMPORTANT TRANSACTIONS CLOSED

- **THE 13.6% INTEREST IN CLOE, A REAL ESTATE FUND MANAGED BY PRELIOS SGR, SOLD TO GIC (GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION)**
- **DISPOSAL OF THE EQUITY INVESTMENT IN “PROGETTO PENTAGRAMMA”, A RECONVERSION PROJECT INVOLVING 4 ASSETS IN ROME, INCLUDING THE FORMER “POLIGRAFICO DELLO STATO” (STATE MINT)**

THE TWO TRANSACTIONS WILL HAVE A POSITIVE IMPACT ON PRELIOS’ NET FINANCIAL POSITION OF APPROX €47 MILLION

Milan, December 30th, 2010 – The Prelios Group has closed two important transactions, in line with the Company’s strategic repositioning which foresees a gradual reduction of the net invested capital in real estate investments and focuses more on its activities as a “*pure asset management company*”, increasing the assets managed for third parties.

The two transactions have a positive impact on Prelios’ net financial position of approximately €47 million.

13.6% of the Cloe Fund sold to GIC

The first transaction involves the sale to an affiliate of GIC Real Estate, the real estate arm of Government of Singapore Investment Corporation – of the 13.6% interest in Cloe, a real estate fund managed by Prelios SGR.

The transaction, closed in line with Prelios’ carrying amount and at an approx 20% discount to the fund’s NAV¹, improves Prelios’ net financial position by approximately €26.9 million.

Fondo Cloe, a “core” closed-end real estate fund placed and founded by Prelios SGR (formerly Pirelli RE SGR) in 2004, holds 11 properties valued at approximately €550 million². Its other quotaholders include primary Italian and international institutional investors. Cloe was recently awarded “Best Italian Specialist Fund” for the highest total return over the last three years at the prestigious “IPD³ European Property Investment Awards 2010”.

Disposal of the equity investment in “Progetto Pentagramma”

The second transaction relates to the sale of the 35% interest held by Prelios in Finprema, a company which entered into a 50/50 joint venture with Fintecna named “Residenze Immobiliari 2004” which is responsible for “Progetto Pentagramma”.

The transaction, which closed largely in line with book value, and the improvement of Prelios’ net financial position, are about €20 million.

¹ NAV at 30 June 2010 ex dividend

² Based on the appraisal of independent experts at 30.06.2010

³ IPD is a global information business, dedicated to the objective measurement of commercial real estate performance

Progetto Pentagramma is a project, undertaken in 2007, in order to enhance 4 real estate assets found in Rome – with a total book value of approximately €406 million – which calls for significant development and reconversion.

The most important of these assets is the *Istituto Poligrafico e Zecca dello Stato* (the former state mint) which is to be converted into a prestigious luxury hotel and brand residence. The portfolio also includes the former *Istituto Geologico* and the real estate complex at *Scalo San Lorenzo*, both of which are to be converted into tertiary facilities, and the Valcannuta area where residential development will take place.

For additional information contact:

Prelios Press Office Tel. +39/02/6281.41571

pressoffice@prelios.com

Prelios Investor Relations Tel. +39/02/6281.4057

www.prelios.com