PRESS RELEASE

PIRELLI RE FRANCHISING OPERATIONAL AS OF TODAY WITH THE NEW PIRELLI RE FRANCHISE NETWORK

A NETWORK OF MORE THAN 130 AGENCIES BY THE END OF THE YEAR ARRIVING AT 1,000 BY THE END OF 2005

BUSINESS PARTNERS: ABBEY NATIONAL BANK, SELMABIPiemme LEASING AND GENERALI

Milan, October 2nd, 2003 – The unmistakable “long-P” and a star-spangled shield, harking back to one of the first logotypes used to mark the early days of Pirelli’s history, at the close of the 19th century: this evocation of the Group’s entrepreneurial tradition heralds the official debut of the Pirelli RE Franchising brand, Pirelli & C. Real Estate’s new initiative in the retail market.

Pirelli RE Franchising, presented during a press conference today, represents the strategic evolution of the Pirelli RE business model, which has drawn on know-how from the internal ranks, from the Edilnord network, as well as from management drawn from other key players in the sector. The aim of the venture is to create a leading real estate network that will become the benchmark for quality and innovation in services, and for the competence and professionalism of its affiliate offices.

This coincides with the launch of a project for the conversion of the Punto Edilnord agencies and of the new affiliates, which will bring Pirelli RE Franchising to all of Italy’s main cities and regions (Milan, Rome, Naples, Verona, as well as Palermo and Trieste, to name but a few locations). A target of 130 agencies will be reached by the end of the year. The development plan aims to sign up 500 affiliated offices by the end of 2004 with a target of 1,000 by the end of 2005.

The clients of the agencies of Pirelli RE Franchising will have access to a full range of tailored real estate services and products, created specially by Pirelli RE, and will also benefit from a whole series of banking and insurance products thanks to commercial partnerships with leading players from various sectors: Selmabipiemme Leasing and Palladio Leasing from the Gruppo Bancario Mediobanca for real estate leasing; Risparmio Assicurazioni ed AdriaVita from the Generali Group for insurance products; and the Abbey National Bank for mortgages;
A team of area managers will ensure national coverage. These managers will not only ensure the co-ordination of the network but will also provide a channel for the optimisation of synergies between the agencies and the Pirelli & C. Real Estate Group. Over the last few years the Group has acquired and developed some of the finest real estate portfolios on the Italian market. The agency network will enjoy the status of privileged partner, not only providing head office with intelligence on business opportunities, but also grasping opportunities to take part in the valuation and sale of leading real estate assets.

One of the key factors underpinning the development of the network will be the training provided for agency staff: in collaboration with MIP (the Milan Polytechnic Business School), Pirelli RE Franchising have set up a permanent training and qualification centre – the Pirelli RE ACADEMY. The centre will deliver, for various professional roles, (agent, assistant, owner), four training modules (Entry, Operational, Managerial and Executive) for the development of business leaders. Indeed, the Executive level course will lead to the award of a diploma equivalent to a graduate Master’s qualification in Business Management And Organisational Development.

In order to build and maintain a strong, long-lasting relationship with the franchisees, Pirelli RE Franchising have created the first company television channel in the sector, a key interactive tool, designed to disseminate key information to the many affiliates across the country by means of a familiar and readily accessible medium. The bespoke Internet-based platform, designed for the new Pirelli RE Franchising television channel, will also allow for video-conferencing as well as being used for distance learning.

The Internet also features prominently with the new portal, www.pirellirefranchising.com, aimed not only at users who want to know more about Pirelli’s services and products but also at those who seek information about the housing market in general and small office (buying, selling, renting, mortgages, leasing, insurance, execution of works etc.).

In 2004 the Pirelli RE Franchising brand will make its debut in the media with a communications campaign through the main mass media (press, television and radio).

On the basis of the business plan, the investment for the project is 20 million Euro, as foreseen in Pirelli RE Three-Year Plan already presented to analysts and press.
As Carlo Puri Negri, the Managing Director of Pirelli & C. Real Estate put it: “Having become the benchmark in Italy for major national and international investors in the real estate sector, this initiative, along with the launch of funds, sets the target of becoming the leader in the provision of retail real estate services. And in so doing we hope to contribute to the development of quality standards in the consumer market”.

Pirelli Press Office Tel. + 39 02 85354270
www.pirellirealestate.com