PRESS RELEASE

PIRELLI RE AND SOROS REAL ESTATE INVESTORS ACQUIRE
26 FORMER ENEL PROPERTIES FROM DEUTSCHE
BANK AND CDC FOR EUR 93 MILLION

85% OF THE PROPERTIES, MOSTLY ZONED FOR INDUSTRIAL
USE, ARE LEASED TO ENEL GROUP COMPANIES

OPERATION ACHIEVED THROUGH THE SPAZIO INDUSTRIALE
JOINT VENTURE (PIRELLI RE 25% - SOROS 75%)

Milan, 23 July 2004 – Spazio Industriale, the joint venture between Pirelli RE (25%) and Soros Real Estate Investors (75%), today signed a preliminary agreement to acquire from Excelsia Otto (vehicle controlled by DB Real Estate Global Opportunities fund, managed by Deutsche Bank, and CDC-IXIS) 26 properties formerly belonging to ENEL for 93 million Euro.

The properties are part of a primarily industrial block of the portfolio the ENEL Group recently sold to the Deutsche Bank/CDC-IXIS consortium. They are located throughout Italy, with total construction of 150,000 m2, and 85% are leased to the ENEL Group, part under long-term contracts (12+6 years).

This operation is the first acquisition of significant size concluded by the Pirelli RE/Soros Real Estate Investors joint venture, which proposes to invest over 500 million Euro in industrial property (light industrial, logistics, industrial and technologic parks) in the coming year, through both acquisitions of existing portfolios and development projects. The objective is to enter a market with strong potential but still hindered by a scarcity of available product and a lack of qualified operators.

The acquisition also serves to define a portfolio with suitable characteristics for forming a seeded real estate fund specialized in industrial properties, which Pirelli RE intends to launch during 2005, according to its 2004-2006 three-year plan.

Regarding new product development, the Spazio Industriale joint venture is committed to realizing the Induxia project in an area south of Milan (Lacchiarella and Binasco), representing Italy's first corporate park. This property development model, first devised in the United States, combines various types of corporate
buildings—high-tech labs, industrial facilities, commercial activities, office buildings, etc.—at a single site with high environmental quality.

Ashurst acted as legal advisor to the acquiring joint venture in the operation.

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