PRESS RELEASE

START-UP OF MP FACILITY SPA (50% MANUTENCOOP AND 50% PIRELLI RE), FOR THE MANAGEMENT OF THE FACILITY SERVICES OF THE TELECOM ITALIA GROUP

THE NEW COMPANY WILL PROVIDE FACILITY SERVICES FOR MORE THAN 7.5 MILLION SQUARE METRES OF REAL ESTATE

COMPANY OBJECTIVES ALSO INCLUDE THE DEVELOPMENT OF SERVICES FOR THIRD PARTY CLIENTS

Milan, October 29th, 2004 – The Manutencoop Group and the Pirelli RE Group today announced the start-up of MP Facility SpA, a specially created company for the outsourced management of the facility management activities of the Telecom Italia Group (plant and property maintenance, environmental hygiene, management of removals and transport services, green maintenance).

MP Facility SpA, (50% owned by Manutencoop and 50% by Pirelli RE Facility Management) was created through the transfer of the facility management branches of Telecom Italia and Emsa (Telecom Italia Group).

The operation was completed today with the signing of a six-year contract, with a 3-year extension option, for the provision of facility services for all of Telecom Italia’s real estate assets with an overall surface area upwards of 7.5 million square metres (including 2.3 million square metres of office space) and more than 5,000 metallic assets (repeaters, masts, towers and containers).

For the importance of the companies involved, the operation represents an innovation for the development of the Italian facility management market, as in the most evolved foreign countries. MP Facility SpA is the fruit of a major joint venture between the two largest Italian operators in the sector: Manutencoop and Pirelli RE Facility Management. Their joint shareholder value and the amalgamation of their respective, complementary competences will not only allow MP Facility SpA to achieve the optimisation of the range of services offered to Telecom Italia but will also lead to a subsequent development on the market of services for third parties.
MP Facility SpA will also benefit from widespread territorial coverage, with 20 branch offices. The company’s legal and administrative headquarters will be based in Milan; the president is Mauro Masi, the managing director is Andrea Matteoli, the general manager is Pasquale Giuliani.

**Manutencoop** is one of the leading groups on the Italian facility management market. The company manages and directly provides the full gamut of auxiliary services to the core businesses of public bodies, healthcare structures and leading private groups. The group, with its main headquarters in Zola Predosa (Bologna), operates throughout Italy. It has 96 branches nationwide and roughly 11,000 employees. In 2003 the group achieved total consolidated **revenues of 410 million** Euro (+15.8% on 2002). Since 1999 its weighted average growth rate (CAGR) has been 21.5%. **EBIT in 2003 was 24 million** Euro (+16.9% on 2002). The same year saw a net consolidated **profit of 8 million** Euro.

**Pirelli RE Facility Management**, wholly owned by the Pirelli RE Group, generated sales of almost **130 million Euro** in 2003 (+120% compared to 2002) and has more than **560 employees**; the turnover in the first-year of 2004 has been more than **78 million Euro** (+37% of the first half-year of 2003). Currently, over 85% of the company’s turnover is generated working for third parties, with the remaining 15% stemming from the provision of services to the Pirelli Group.

Facility management involves the planning, design, provision and control of all the services needed by real estate users, with a view to improving their quality by optimising costs and enhancing efficiency and flexibility, thereby allowing clients to focus on their core business activities.

For further informations:

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