PRESS RELEASE

PIRELLI & C. REAL ESTATE: WORKS TO RE-START ON THE NEW ENTERTAINMENT CENTRE IN BICOCCA

Milan, June 14th, 2002 – Pirelli & C. Real Estate have restarted the works that had earlier been suspended following a sentence of the Lombardy Regional Administrative Court (TAR). The sentence had annulled building licence number 316, granted by the Milan City Council on 8/8/2001. With a ruling issued yesterday the Council of State suspended the sentence following the appeal lodged by the company.

And so, pending the detailed declaration of the Council of State, works may be resumed for the implementation of the Bicocca Multisala project, which will see the creation of an entertainment centre featuring an 18-screen multiplex cinema (with seating for almost 6000 people) to be managed by Warner Village, as well as a fitness centre, bars, restaurants and small themed shops. The project will also feature multi-storey parking facilities for roughly 1,400 cars.

In the words of Vice President and Managing Director Carlo Alessandro Puri Negri: “We note with satisfaction that with this ruling the Council of State have accepted our petition and have effectively quashed the disputed sentence, and have made clear that at the definitive stage of adjudication the sound reasoning behind our appeal will be recognised”. He went on to state that “With the multiplex cinema, fitness centre and other facilities, Bicocca will finally be able to complete the range of functions that we believe are indispensable for a new centre of urban development”.

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The Pirelli & C. Real Estate Group is one of the leading players in the Italian real estate market, providing innovative solutions and specialist capabilities for the successful management of every phase of real estate investment projects.

The Group has adopted a specific business model that marries the activities of Asset Managers to the provision of specialist services for the real estate sector. As an asset manager, Pirelli & C. Real Estate is involved in the active and strategic management of real estate related investments, and generally holds significant minority stakes in partnership with some of the largest international investment
funds. As a Service Provider the company provides private and public clients with a wide range of specialist services related to the acquisition, implementation, management and sale of real estate assets. These services include Project Management, Property Management, Facility Management, Residential and Services Sector Agency and Credit Servicing.

In the first quarter of 2002 the company recorded a net result of 56 million euros, including 15.9 million euros in recurring activities (+412.9% compared to the first quarter of 2001) and 40.1 million euros in non-recurring activities (as compared with a loss of 0.6 million euro in the first quarter of 2001); sales turnover totalled 100.6 million euros (+35.9%); net financial indebtedness fell from 141.6 million euros at the end of 2001 to 46.5 million euros on March 31st, 2002.

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