



PRESS RELEASE

- **SIGNIFICANT ACQUISITION IN THE TOURIST SECTOR: THE TOURIST VILLAGES OF MARILLEVA, PILA, NICOTERA AND OSTUNI WILL PURCHASED FROM VALTUR FOR A VALUE OF € 103 MLN**
- **THE TRANSACTION WILL TAKE PLACE THROUGH A REAL ESTATE FUND RESERVED FOR INSTITUTIONAL INVESTORS; PIRELLI RE WILL HOLD A 35% SHARE**
- **CLOSING EXPECTED BY MARCH 2006**
- **PIRELLI RE CONSIDERS TOURISM TO BE A STRATEGIC SECTOR AND IS TARGETING OTHER ACQUISITIONS OF BOTH EXISTING AND AREAS TO BE DEVELOPED**

Milan, 23 December 2005 – Pirelli RE has signed a binding agreement with Valtur for the acquisition of **four tourist villages** for an overall value of Euro **103 million**, located in **Marilleva, Pila, Nicotera and Ostuni**.

The transaction will take place through a real estate fund reserved for institutional investors; Pirelli RE will hold a share of 35%, in line with its business model (which envisages investments through qualified minority shareholdings), and will provide all the property services for the assets purchased.

Over the next two years investments of around Euro 12 million are planned for the development of the structures: 50% by the fund and 50% by Valtur. The latter will continue to manage the villages under an 18 years leasing contract, renewable for a further nine years.

The closing of the transaction is expected by March 2006.

The **Marilleva** and **Pila** facilities, in Trentino and Valle d'Aosta respectively, each have an accommodation capacity of around 260 apartments and offer direct access to the ski lifts. The first covers an area of 10,000 sq m and the second an area of 13,000 sq m.

The other two villages purchased, located near the sea at **Ostuni**, in Apulia, and **Nicotera**, in Calabria, have an accommodation capacity of 470 and 290 apartments respectively. The Ostuni village, the biggest in Valtur's Italian chain, covers an area of

500,000 sq m, together with an additional 600,000 sq m for the property's green spaces. Nicotera covers an area of 143,000 sq m.

The transaction, financed by Banca Intesa, is Pirelli RE's first significantly large purchase in the tourism sector after several small investments, and follows the investment in a 25% share of Turismo & Immobiliare, a company which holds 49% of the share capital of Italia Turismo.

Pirelli RE, in accordance with its 2006-2008 plan, is aiming at making significant investments in this sector characterized by high development potential, through the acquisition of existing facilities as well as areas to be developed, particularly in Campania, Calabria, Apulia, Sardinia and Sicily.

Bonelli, Erede and Pappalardo acted as Pirelli RE's legal advisor for the transaction.

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