



## PRESS RELEASE

- **THE JOINT VENTURE PIRELLI RE (49%)- MORGAN STANLEY REAL ESTATE SPECIAL SITUATIONS FUND (51%) LAUNCH PUBLIC TENDER OFFERS FOR THE TECLA AND BERENICE FUNDS**
- **€590 PER QUOTA OFFERED FOR TECLA AND €540 PER QUOTA FOR BERENICE**
- **PREMIUM OF 11.6% AND 14.1% RESPECTIVELY OVER THE WEIGHTED AVERAGE TRADING PRICE OF THE LAST TWELVE MONTHS**
- **THE ANNUAL RETURNS OF TENDERED SHARES IS WELL ABOVE THE TARGET INDICATED AT THE TIME THE FUNDS WERE LISTED:**
  - **TECLA: 15,7%, +100% VERSUS 8% TARGET**
  - **BERENICE: 10,1%, +44% VERSUS 7% TARGET**
- **THE OFFERS ARE SUBJECT TO POSSESSION OF 50 PLUS 1% OF THE QUOTAS**
- **THE TRANSACTION IS IN LINE WITH THE PROJECT TO REALIZE A VASTER INVESTMENT PLATFORM IN THE OFFICE SECTOR**
  - **JOINT BOOKRUNNERS FOR THE OFFER:  
CABOTO AND CAPITALIA**

*Milan, May 22nd, 2007* – The joint venture **Pirelli RE (49%) and Morgan Stanley Real Estate Special Situations Fund (51%)** announces that it intends to launch, through the company **Gamma RE**, two voluntary **Public Tender Offers**, pursuant to Article 102 of Legislative Decree. 58/98, on the **quotas of Tecla Fondo Uffici and Berenice Fondo Uffici**, closed real estate investment funds listed on the MTF segment of the Italian Stock Exchange since March 2004 and July 2005, respectively, and managed by Pirelli RE SGR.

The transaction is in line with the project to realize a **vaster investment platform in the office sector** into which the quotas of Tecla and Berenice, along with other real estate portfolios and sector development projects, may be conferred.

The Offers are for: (i) n. **568,999 quotas** in the **Tecla Fund**, at a nominal value of €447.79 per quota, equal to the total quotas issued less the 10% equity investment already held by the offeror and the obligatory 2% stake held by Pirelli RE SGR; (ii) n. **570.000 quotas** in the **Berenice Fund**, at a nominal value of €497.55 per quota, equal to the total quotas issued less the obligatory 5% stake held by Pirelli RE SGR.

Each party who tenders quotas will be offered the following by the offeror: 1) for the **Tecla Fund** a cash payment of **€590 per quota**, a **premium of 11.6%** over the weighted average trading price of the last twelve months; and 2) for the **Berenice Fund** a cash payment of **€540 per quota**, a **premium of 14.1%**. The total amount of the offers equals, therefore, **€336 million** for **Tecla Fondo Uffici** and **€308 million** for **Berenice Fondo Uffici**.

The subscribers who purchased their quotas at the time the respective funds were listed and who decide to tender their quotas will realize **an annual return of 15.7%** for **Tecla**, circa **+ 100%** compared to the 8% target indicated when listed, and of **10.1%** for **Berenice**, **circa + 44%** compared to the 7% target indicated when listed.

The period of the tender offers will be coordinated with the Italian Stock Exchange (*Borsa Italiana S.p.A.*), in compliance with the applicable statutes and regulations. It is foreseeable that the offers, providing all the necessary documentation is filed with Consob by the end of this week, will be launched during the first half of June and be concluded during the first part of July.

The offers are subject to possession of **50 plus 1% of the quotas** and the lack of any facts or circumstances that could in any way compromise or result not in the best interest of the same.

Banca Caboto S.p.A. (Intesa Sanpaolo Group) and Capitalia Banking Group S.p.A. will act as joint bookrunners. Morgan Stanley will serve as financial *advisor* and the bank for Gamma RE B.V. Bonelli Erede Pappalardo, De Brauw Blackstone Westbroek, Studio Carbonetti and Chiomenti Studio Legale will act as legal advisors for the transaction.

Additional information on the offers can be found in the press release issued today by Gamma RE.

For further information:  
Pirelli RE Press Office: Tel. +39/02/8535.4270  
Pirelli RE Investor Relations: Tel. +39/02/8535.4057  
[www.pirellire.com](http://www.pirellire.com)