

PRESS RELEASE

- **GAMMA RE, JOINT VENTURE MORGAN STANLEY REAL ESTATE SPECIAL SITUATIONS FUND (51%) - PIRELLI RE (49%), ADJUST THE OFFERS FOR THE QUOTAS OF THE TECLA AND BERENICE FUNDS TO THE NAV**
- **PRICES REVISED TO REFLECT THE STRATEGIC VALUE OF TECLA AND BERENICE IN THE PROJECT FOR THE REALIZATION OF A VASTOR OFFICE INVESTMENT SECTOR PLATFORM**
- **€678 PER QUOTA OFFERED FOR TECLA AND €685 PER QUOTA OFFERED FOR BERENICE**
- **ANNUAL RETURNS FOR SUBSCRIBERS AT THE TIME OF PLACEMENT WHO ACCEPT GAMMA RE'S OFFERS:**
 - **TECLA: 19.9%, VERSUS 8% EXPECTED AT THE TIME OF LISTING**
 - **BERENICE: 23.3%, VERSUS 7% EXPECTED AT THE TIME OF LISTING**
- **TOTAL VALUE OF THE OFFERS, NET QUOTAS ALREADY HELD, CIRCA €750 MN**
- **FINANCING GUARANTEED BY MORGAN STANLEY ALONG WITH INTESA SANPAOLO AND THE UNICREDIT GROUP**
 - **THE OFFERS WILL END ON JULY 2ND**

Milan, June 20th, 2007 – **Gamma RE, joint venture between Morgan Stanley Real Estate Special Situations Fund (51%) and Pirelli RE (49%), announces that it has revised the prices of the Public Tender Offers, in accordance with Article 102 of Legislative Decree 58/98, launched 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. Subsequent to the new terms, the respective offers made to quota holders are now in line with the funds' Net Asset Value.**

The revision of the offer prices reflects the important strategic value of the two funds in the project for the **realization of a vaster office investment sector platform..**

Each party who tenders quotas will be offered the following by the offeror: 1) for the **Tecla Fund** a cash payment of **€678 per quota**, a **premium of 28.3%** over the weighted average trading price of the last twelve months at May 18th, 2007 and a premium of 4.3% versus the amount offered by Zwinger Opco 6 B.V., and in line with the fund's per quota Net Asset Value at December 31st, 2006 net income related to 2H06 distributed on February 8th,

2007; 2) for the **Berenice Fund** a cash payment of **€685 per quota**, a **premium of 44.8%** over the weighted average trading price of the last twelve months at May 18th, 2007 and a premium of 5.4% versus the amount offered by Zwinger Opco 6 B.V., and in line with the fund's per quota Net Asset Value at December 31st, 2006 net income related to 2H06 distributed on February 8th, 2007.

The new offers will be applied to the quotas already tendered as of last June 11th.

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 IRR of 19.9%** for **Tecla**, 18.3% higher than the offers announced by Zwinger Opco 6 B.V. and the target return of 8% indicated at the time the fund was listed, and 23.3% for **Berenice**, 19.6% higher than the offers announced by Opco 6 B.V. and the target return of 7% indicated at the time the fund was listed.

The Offers are for: (i) n. **550,708 quotas** in the **Tecla Fund**, at a nominal value of €447.79 per quota, equal to the total quotas issued less the 12.83% equity investment already held by the offeror and the obligatory 2% stake held by Pirelli RE SGR; (ii) n. **548,117 quotas** in the **Berenice Fund**, at a nominal value of €497.55 per quota, equal to the total quotas issued less the 3.65% stake already held by the offeror and the obligatory 5% stake held by Pirelli RE SGR.

The maximum amount of the offers, net the quotas already held by Gamma RE and the SGR, is therefore equal to **€373.4 million** for **Tecla Fondo Uffici** and **€375.5 million** for **Berenice Fondo Uffici**. The **total amount** of the offers, of approximately **€750 million**, will be financed by the *joint venture* itself and through a bank loan guaranteed in its entirety by Morgan Stanley, along with Intesa Sanpaolo and the Unicredit Group.

The current offers will **end on July 2nd, 2007**. 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 as bank for Gamma RE B.V. Bonelli Erede Pappalardo, Studio Carbonetti and Chiomenti Studio Legale will act as legal advisors for the transaction.

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