

## PRESS RELEASE

- **SUCCESSFUL CONCLUSION TO FONDO TECLA TAKEOVER BY GAMME RE, JOINT VENTURE BETWEEN MORGAN STANLEY REAL ESTATE SPECIAL SITUATIONS FUND (51%) AND PIRELLI RE (49%): MORE THAN 86% ACQUIRED**
- **QUOTAS ACQUIRED THROUGH THE TAKEOVER WORTH €255 MN**
- **PLANS CONFIRMED FOR A PLATFORM FOR INVESTMENTS IN OFFICE PROPERTIES, MAY EVENTUALLY HOLD FONDO TECLA**

*Milan, July 6<sup>th</sup>, 2007* – **Gamma RE**, the joint venture between **Morgan Stanley Real Estate Special Situations Fund (51%) and Pirelli RE (49%)**, announces the close on July 5<sup>th</sup> of the voluntary **takeover bid** for 550,708 quotas of **Fondo Tecla**. Gamma RE will hold **more than 86% of the 633,658 quotas with voting rights**, i.e. all quotas issued net the 2% owned by Pirelli RE SGR. More specifically, it has acquired through the takeover 369,138 quotas in addition to the 177,122 it already owns.

**The cost** of the quotas acquired through the takeover, to be paid on 12 July, is around **€255 million**. It will be financed by the joint venture's equity and by loans from Morgan Stanley, along with Intesa Sanpaolo and Unicredit Group.

The investors who have kept their Tecla quotas will have the same rights over them as always and will continue to benefit from the returns produced under the management of Pirelli RE SGR.

Pirelli RE confirms its plan to create a **platform for investments in office properties**, which could hold the Tecla quotas and other property portfolios and handle development initiatives in that sector.

"We are very pleased with the outcome," comments Pirelli RE CEO Carlo A. Puri Negri. "The real estate fund industry can only benefit from this deal. Gamma RE is ready to begin the process of creating a large-scale office platform. Pirelli RE, together with its partners, will continue to offer highly liquid investment tools specialized in the various segments of real estate, which can meet the different asset allocation strategies preferred by institutional and retail investors."

The coordinators of the deal are Banca Caboto S.p.A. (Intesa Sanpaolo Group) and Capitalia Gruppo Bancario S.p.A. Morgan Stanley is serving as financial advisor, while Bonelli Erede Pappalardo, Studio Carbonetti and Chiomenti Studio Legale are the company's legal advisors.

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