



## PRESS RELEASE

- **LAUNCH OF SEEDED REAL ESTATE FUND PROMOTED BY CITY OF TURIN AND MANAGED BY PIRELLI RE**
- **THE CITY OF TURIN HAS TRANSFERRED 18 PROPERTIES WORTH APPROX. €131 MILLION TO THE FUND**
- **A RESTRUCTURING AND/OR REDEVELOPMENT OF THE ASSETS IS PLANNED, WITH INVESTMENTS OF APPROX. €100 MILLION**
- **IN THE FUND ARE INVESTORS THE CITY OF TURIN WITH 35%, FINOPI (INTESA SANPAOLO GROUP) WITH 29% AND ASSET MANAGER PIRELLI RE GROUP WITH 36%,**
- **THE CITY OF TURIN PLANS TO TRANSFER UP TO ANOTHER €300 MILLION TO THE FUND IN THE NEXT THREE YEARS**

*Milan, December 20th, 2007* – The **seeded real estate fund** promoted by the **City of Turin** and **managed by Pirelli RE Opportunities SGR** has been launched.

On December 5th the Pirelli RE Group's fund management company won the bid called by the City of Turin to manage and enhance the value of its real estate assets.

The **Fund**, with a life of 5 years, has been created with a portfolio of **18 properties** transferred by the City of Turin with a **value** of approximately **€131 million**. The value of the Fund less the non recourse debt is approx. €34 million. In the Fund are investors the **City of Turin** with **35%**, **Finopi - Holding for Public Works and Infrastructures**, equity investor of Intesa Sanpaolo Group, specialized in the public sector and in public-private partnerships, with **29%** and the asset manager **Pirelli RE Group** with a **36% share** for which the equity commitment is equal to approx. €12 million.

Pirelli RE Group will act for the Fund as asset manager and it will offer specialised services, such as agency, property, project and facility management.

The Fund's portfolio includes prestigious buildings located in the centre of Turin such as the Palazzo Villa which overlooks Piazza San Carlo, the building in Via Garibaldi on the corner of Via Botero which faces Palazzo Civico, the eighteenth century Villa Moglia, other historic buildings in the city centre, industrial premises and seven blocks of flats in the Olympic Village, corresponding to a total of approx. 80,000 sqm commercial.

Most of the buildings, which once housed public offices and cultural associations, are not currently rent-yielding; the **value-enhancement strategy** involves **restructuring and/or redevelopment and conversion** into new uses, most of which residential.

Pirelli RE Opportunities SGR has estimated **investing approximately €100 million** over the course of 3 years.

For the purposes of **enhancing the value** of its **real estate assets** the **City of Turin** plans to **transfer** up to **€300 million** in additional assets to the Fund in the next 3 years.

The City of Turin's Fund adds to "Fondo Immobiliare Pubblico Regione Siciliana" (Region of Sicily Public Real Estate Fund) managed by Pirelli RE SGR since March 2007 and reflects Pirelli RE's continued strategy of positioning itself as the partner of reference for public institutions wanting to enhance the value of their real estate assets.

Intesa San Paolo has acted as financial advisor, also through Finopi, and financing bank, Banca IMI as agent bank, Bonelli, Erede, Pappalardo as legal advisor and CB Richard Ellis as independent experts and Recchi Engineering as technical and urban advisor for the portfolio.

Intesa Sanpaolo is serving as the Fund's depositary bank.

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