

Borletti Group



PIRELLI RE



## PRESS RELEASE

### **CONSORTIUM ANNOUNCES THE COMPLETION OF ACQUISITION OF 49% STAKE IN HIGHSTREET**

*Dusseldorf and London. July 28th 2008* - The consortium comprised of the **Borletti Group, the Generali Group, Pirelli RE and RREEF Alternative Investments** today announced the completion of the acquisition of a 49% stake in "Highstreet", the investment company that owns the majority of the German department store premises operated by Karstadt.

The **enterprise value is circa €4.56 billion**, with **underlying debt of circa €3.5 billion** secured by the properties.

The consortium consists of Rreef 49%, Generali Group 22,34%, Pirelli RE 24,66 and Borletti Group 4%.

The consortium also signed a partnership agreement with Whitehall, a property fund of Goldman Sachs which holds a 51% stake in Highstreet, for the joint management of the investment company. Pirelli RE will act as co-asset manager of the portfolio, along with Whitehall.

In March 2008 the consortium signed a **binding agreement with Karstadt Quelle AG (the Arcandor Group) for the purchase of its 49% stake in Highstreet**, subject to approval of the antitrust and regulatory authorities, as well as obtaining consent from existing lenders in connection with the change of control of the borrowers.

The conditions have now been met and, therefore, the acquisition of the 49% stake in Highstreet has been successfully completed.

**Highstreet portfolio comprises 164 properties located throughout Germany, providing a total gross area of 3.2 million m<sup>2</sup> (total lettable area of 2.1 million m<sup>2</sup>),** which includes: 81 department stores, 9 sporting goods stores, 28 parking lots, 14 office buildings and 32 other activities (for mixed use, retail points of sales, logistics, land, etc.).

- end -

Borletti Group



PIRELLI RE



**Borletti Group Management S.A. (BGM)**, a Luxembourg based investment company which acts on behalf of the Borletti Family Office, as well as for other private and institutional investors, representing (directly and indirectly) assets worth approximately €800 million. Some of the recent acquisitions by BGM in the retail and real estate sectors include: La Rinascente and UPIM (sales of €850 million, EBITDA of €65 million and 5,500 employees) in Italy, which was acquired from IFIL/Auchan in March 2005 and Le Printemps (sales of €950 million, EBITDA of €60 million and 5,000 employees) in France, which was acquired from PPR in October 2006.

**Generali Real Estate Fund S.A. (GREF)** is a Luxemburg based Sicav specialized in real estate investments, launched at the end of 2006, fully owned by different Generali Group companies located in Italy, France, Germany, Austria, Spain, Belgium, the Netherlands and Portugal. Target of the GREF is to invest EUR 1 billion mainly in retail and office sector, in the Eurozone area. GREF has already committed roughly 40% of its investment target, thanks to acquisitions in the office sector in Germany and France and in the retail sector in Portugal and Spain.

**Pirelli RE** is an alternative fund & asset manager specializing in the real estate sector. It manages funds and companies that own real estate and non performing loans in which it co-invests through minority stakes, aligning its interests with those of investors. The Group is primarily involved in identifying investment opportunities based on the different types of real estate products (residential, commercial and NPLs) and geographic location (Italy, Germany and Eastern Europe), professional management activities and the supply of specialized services (integrated facility management, property management, credit servicing and agency) through dedicated teams. Assets under management reach approximately € 15 billion at 31/12/07.

**RREEF Real Estate** acquires and manages investments in commercial and residential property, and real estate securities on behalf of its institutional and private clients worldwide. Its product offering is global and comprehensive, including core, value-enhanced and high yield property investments as well as investments in publicly traded real estate securities. RREEF Real Estate has more than €48.9 billion in assets under management worldwide as of 31 March 2007. RREEF Real Estate is part of RREEF Alternative Investments, the global alternative investment management business of Deutsche Bank's Asset Management division. RREEF Alternative Investments consists of three businesses: Real Estate, Infrastructure and Private Equity. Headquartered in

Borletti Group



PIRELLI RE



*New York, RREEF Alternative Investments employs more than 1,400 investment professionals in 17 cities around the world to help investors meet a wide range of objectives – from diversification, to preservation of capital, to long-term performance. Named the world's largest alternative investments manager in Global Investor/Watson Wyatt's Alternative Survey, June 2007, RREEF has €55.6 billion in assets under management worldwide as of 31 March 2007.*

For further information:

**Borletti Group**

Diane d'Oleon

Tel. +33 6 09 04 80 11

Email: [eca.doleon@gmail.com](mailto:eca.doleon@gmail.com)

**Generali Group**

Press Office: Tel. +39 2 48 24 87 62 - +39 2 48 24 82 44

Email: [press@generali.com](mailto:press@generali.com)

**Pirelli RE**

Press Office (outside of Germany): Tel. +39 2 85 35.42 70

Investor Relations: Tel. +39 2 85 35 40 57

Press Office Germany: Tel. +49 40 37 66 02 26

[www.pirellire.com](http://www.pirellire.com); [pressoffice@pirellire.com](mailto:pressoffice@pirellire.com)

**RREEF**

Press & Media Relations Germany

Tim Oliver Ambrosius

Tel. +49 69 910 42648; Mobile +49 173 653 1326

Email [tim-oliver.ambrosius@db.com](mailto:tim-oliver.ambrosius@db.com)

Press & Media Relations (Europe excluding Germany)

Louise Pancott

Tel. +44 207 545 7790; Mobile +447968093968

Email [louise.pancott@db.com](mailto:louise.pancott@db.com)