



JOINT PRESS RELEASE
PIRELLI & C. REAL ESTATE – OLIVETTI

**GREEN LIGHT FOR THE INTEGRATION OF THE FACILITY
MANAGEMENT ACTIVITIES OF
OLIVETTI AND PIRELLI & C. REAL ESTATE:**

- **OLIVETTI'S BUSINESS VALUED AT 22.5 MILLION EURO**
- **THE NEW COMPANY, WHOLLY OWNED BY PIRELLI & C. REAL ESTATE, WILL BECOME ONE OF THE SECTOR LEADERS, WITH REVENUES OF ABOUT 150 MILLION EURO - ONCE FULLY OPERATIONAL -, MORE THAN 500 EMPLOYEES AND BRANCH OFFICES THROUGHOUT ITALY**

Milan, April 4th, 2003 – **Pirelli & C. Real Estate** and **Olivetti** signed an agreement today – as per the terms of the so-called Tiglio project – for the **integration of the facility management operations** of Olivetti Multiservices and Pirelli & C. RE Facility Management.

The operation will take place through the allocation of Treasury shares currently owned by Pirelli & C. Real Estate - in line with the approach adopted by the Group in its most recent acquisitions of services companies – to Olivetti. The latter will in turn cede their facility management operations, which are valued at 22.5 million Euro and concentrated within a specially formed company: OMS Facility.

The number of Pirelli & C. Real Estate shares to be transferred is 809,946 (just under 2% of the share capital) and was agreed by the parties on the basis of valuations carried out by Mediobanca and KPMG, respectively. Lazard acted as financial advisor for the operation while the Chiomenti law firm acted as legal advisor.

The agreement also provides for a further settlement, should this be required, to be finalised on December 31st, 2005, on the basis of the stock exchange price performance of Pirelli & C. Real Estate.

With this operation, along with the acquisitions of Altair Facilities Management, Cam Energia e Servizi and the Service Division of RAS, made in 2002 , Pirelli & C. Real Estate has joined the ranks of the leading players **in Italy** in the facility management sector, with **business volumes** that, once fully operational, will be in the order of **150 million** Euro.

With the integration of Olivetti's facility management activities, Pirelli & C. RE Facility Management will now have **over 500** staff working out of **operational branches** in all of Italy's main cities (including Milan, Turin, Ivrea, Genoa, Verona, Rome, Naples and Bari) thus providing **nation-wide territorial coverage**.

Carlo Puri Negri is President of the new company, which will be run by Managing Director, Enrico Saraval, founder of the Altair Group and one of the pioneers of facility management in Italy.

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Facility management co-ordinates and directly manages the gamut of services aimed at real estate users, mainly in the services sector, improving their quality and optimising their efficiency, thus allowing the client to concentrate on his core business. First developed in the Unites States in the Eighties, facility management in Europe – and especially in Italy – has today become one of the sectors with the **strongest growth potential** among specialist real estate services.

Against this backdrop - and also drawing on **synergies** with the **other real estate services companies within the Pirelli & C. Real Estate Group** – Pirelli & C. RE Facility Management has over the last few years enjoyed significant growth, both internally and through acquisitions of key market players. As a result of this latest acquisition, the Company will be able to broaden and diversify its product and service ranges.

Pirelli & C. RE Facility Management can draw on its in-house resources to perform a series of activities that include: space planning (redesign of spaces), property technical services and the related technological plant (energy management, co-generation), information services & communication technology and document management (management of paper files, optical filing and archives).