



## **PIRELLI & C. REAL ESTATE PRESS RELEASE**

*Board of Directors holds meeting*

- **DEFINED ORGANISATIONAL STRUCTURE FOR LAUNCH OF REAL ESTATE INVESTMENT FUNDS: APPOINTED GIULIO Malfatto AS MANAGING DIRECTOR AND PARTNER OF DEDICATED FMC (FUND MANAGEMENT COMPANY)**
  - **GIORGIO FANTONI NEW GENERAL MANAGER SPECIALIST SERVICES**
- **PIRELLI & C. REAL ESTATE'S STOCK INCLUDED IN THE EPRA/NAREIT GLOBAL INDEX, CONSISTING OF LEADING QUOTED PROPERTY COMPANIES**

*Milan, June 4<sup>th</sup>, 2003* – The Board of Directors of Pirelli & C. Real Estate met today to make a number of decisions regarding the organisational structure of its long term investment business, which will feature the launch of **real estate funds** by contribution aimed at institutional and retail investors.

To this end, the Board of Directors verified compliance of the honourableness requirements of the Directors with the criteria laid down by the Bank of Italy.

The Board of Directors also appointed **Giulio Malfatto** as **Managing Director of the FMC**, the company dedicated to the management of all the real estate funds of Pirelli & C. Real Estate. In order to take up the new role, Giulio Malfatto has resigned his position as General Manager Specialist Services, whilst remaining a member of the board of Pirelli & C. Real Estate. The Board also appointed Umberto Vitiello, (who resigns his position as Central Director of Commercial Asset Management), as global advisor for the establishment of real estate funds.

Pirelli & C. Real Estate considers entry into the long-term sector, with the launch of real estate funds, to be of strategic importance. Consequently the Company has

selected two of the sector's finest professionals for the key appointments of Managing Director and FMC global advisor: Giulio Malfatto, a 48 year-old graduate in engineering, with over 20 years of experience in the sector, has worked for Pirelli & C. Real Estate for the last 7 years (including the last 3 years as General Manager); Umberto Vitiello, a 39 year-old engineering graduate, has worked in real estate for 15 years, and within Pirelli & C. Real Estate for the last 7 years (including the last 2 years as Central Director).

Giulio Malfatto and Umberto Vitiello will also hold a 10% stake in the FMC, through their own holding company.

The Board of Directors subsequently appointed **Giorgio Fantoni** as the **new General Manager Specialist Services**. Fantoni, aged 54, an engineering graduate, formerly Managing Director of ABB Process Solutions & Services and a member of the board of ABB Italy, boasts longstanding organisational and management experience in the field of industrial services, at both national and international levels; he will head up the entire real estate specialist services organisation. Within this organisation, highly skilled sector professionals who have worked within the Group for many years run each business line.

Furthermore, in view of the successful partnership with Morgan Stanley in the **office sector** and the planned expansion in this field of activity, Pirelli & C. Real Estate has joined forces with the latter company to launch a process aimed at **further bolstering** the dedicated **asset management organisation**, also considering Mr. Vitiello's appointment.

Lastly, Pirelli & C. Real Estate's Board of Directors expresses its satisfaction that the stock will be included in the **EPRA/NAREIT** Global Real Estate Index, as of July 1st. The EPRA index, a prestigious benchmark for the sector, a **reference point** for **institutional investors**, includes the **top 230 property companies** listed in the United States, in Europe and in Asia, whose objective is to represent the global performance of listed property companies. The inclusion in the index will provide Pirelli & C. Real Estate with **greater visibility** in the international marketplace, which in turn will **increase** the **liquidity**.

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