



PRESS RELEASE

PIRELLI RE SGR: DEBUT OF TWO NEW REAL ESTATE FUNDS WITH MARKET VALUE IN EXCESS OF €400 MILLION

ANASTASIA, A SPECIALISED OFFICE SECTOR FUND FOR INSTITUTIONAL INVESTORS:

- ITS PORTFOLIO COMPRISES 5 PRIME PROPERTIES WITH MARKET VALUE OF €318 MILLION
 - FUND VALUE, NET OF DEBT, IS €140.5 MILLION
- BANCA IMI, MEDIOBANCA, MORGAN STANLEY AND UNICREDIT HAVE PLACED THE OFFER WITH ITALIAN AND FOREIGN INSTITUTIONAL INVESTORS

MONTEVERDI, A FUND SPECIALIZING IN THE OFFICE, INDUSTRIAL AND RETAIL SECTORS FOR INSTITUTIONAL INVESTORS:

- ITS PORTFOLIO COMPRISES 8 PROPERTIES AND 2.26% OF THE UNITS IN ARMILLA, A FUND MANAGED BY PIRELLI RE SGR, FOR TOTAL MARKET VALUE OF €88.8 MILLION
 - FUND VALUE, NET OF DEBT, IS €62 MILLION
- THE FUND HAS BEEN SUBSCRIBED BY ITALIAN AND FOREIGN INSTITUTIONAL INVESTORS

WITH THESE NEW FUNDS, PIRELLI RE SGR CONSOLIDATES ITS LEADERSHIP IN ITALY WITH TOTAL ASSETS OF €6.3 BILLION

Milan, July 30th, 2010 – Pirelli RE SGR has launched two new real estate funds, Anastasia and Monteverdi, with a total market value in excess of **€400 million**. Taking its total assets of some **€6.3 billion**, these new launches have consolidated **Pirelli RE SGR's** leadership in Italy's real estate fund market and its strategic centrality to the Pirelli RE business model.

Anastasia Fund

Anastasia is a contribution fund for institutional investors, set up and managed by Pirelli RE SGR and specializing in properties primarily used as "Offices".

Anastasia's **portfolio** comprises **5 prime properties**, one of which will be transferred on completion of construction due by the end of 2010. The overall market value (OMV) of the properties is some **€318 million**, as per the appraisal by the independent experts **Patrigest**.

Recently built or refurbished, the properties are mostly located in the cities of **Milan and Rome** and meet the highest standards of quality and energy and environmental efficiency. The occupancy rate of the buildings, home to the head offices of major groups, is **93%**.

Anastasia is a "**core**" product, created to satisfy investors' specific risk/return profile and time horizon. The property tenants are diversified in profile and all have high credit ratings. The fund offers a stable income flow, thanks to the preponderance of long-term leases, and an attractive **target IRR of around 9%**, consistent with the fund's "core" nature. The **term of the fund is 10 years** (with the option of extending it by another 2 years, plus a potential 3-year grace period if needed to complete the portfolio's liquidation).

The Fund's conferral value is **€280.7 million** and incorporates a discount of around 11.7% on market value and of some 21% on NAV. The value of the Fund, net of debt (all of which secured against the properties) is **€140.5 million**.

The fund's units have all been placed with top Italian and European institutional investors.

The financial advisors, arrangers and placers of the offer were **Banca IMI, Mediobanca, Morgan Stanley and Unicredit; Intesa Sanpaolo** while **Unicredit** acted as the fund's financing banks; **Patrigest** as independent experts; **Bonelli Erede Pappalardo** as legal advisors; and **Vitali Romagnoli Piccardi e Associati** as tax advisors.

Monteverdi Fund

Monteverdi is a fund specializing in properties primarily for "Office, Industrial and Retail" use; its portfolio comprises **8 properties** mainly located in the provinces of **Turin and Perugia**, as well as **2.26%** of the units in the **Armilla Fund**, managed by Pirelli RE SGR. The Fund's overall market value is **€88.8 million**, as per the appraisal by the independent experts **Patrigest**. Net of debt, the value of the Fund is **€62 million**.

Monteverdi is a "**speculative**" product, most of whose properties are "value added", ie. their potential value is expressed as a result of specific intervention, except for the recently-constructed and fully let multi-screen complex in Perugia.

The term of the Fund is **7 years** (plus potential rolling 3-year extensions up to a maximum of **30 years**). The units have all been subscribed by top Italian and foreign institutional investors. Pirelli RE will retain about 42% of the Fund's units (inclusive of those held through Pirelli RE SGR).

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