



PRESS RELEASE

GENERALI PROPERTIES - PIRELLI RE – LEHMAN BROTHERS: PROPERTIES PURCHASED FOR € 158 MILLION

Milan, December 23rd, 2003. Generali Properties, Pirelli & C. Real Estate and Lehman Brothers have set up a new company called Continuum that has acquired a portfolio of 43 buildings, located mainly in Milan and Rome and forming part of assets owned by Assitalia, for a value of € 158 million. 40% of the share capital of Continuum is held by Generali Properties, 40% by Pirelli Real Estate and 20% by Lehman Brothers.

The buildings, with a total area of over 100,000 sqm and mainly residential, after the valorization process are earmarked for subsequent break-up sale in a short-/medium-term time span. The initiative can count on the complementary expertises of Generali Properties, Pirelli RE and Lehman Brothers. Pirelli RE will manage the portfolio at an operative level, through the mandates for the provision of specialist services.

In addition, Generali Properties finalised another real estate operation in the last few days with the acquisition of a building located in Milan's Piazza del Carmine, in the central Brera quarter, for a sum of €65 million euro.

Both operations are part of Generali Properties' strategy aimed at further requalifying its real estate portfolio in Italy.

Generali Properties is the Generali Group's real estate company in which nearly all the real estate of Assicurazioni Generali and Alleanza Assicurazioni in Italy has been concentrated in. Generali Properties (52.1% Assicurazioni Generali and 47.9% Alleanza Assicurazioni) is market leader in Italy in terms of size and quality of the real estate owned, with a portfolio of over 300 buildings. Generali Properties' real estate emerges not only for its volume and quality but also for its diversification and localisation

Pirelli RE is a property management company that invests in real estate assets mainly via significant minority stakes (asset management activities), to which it provides, as it does for other customers, a wide range of property services (service provider activities), provided by specialised companies fully owned.

Lehman Brothers (ticker symbol NYSE:LEH), an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high-net-worth individuals world-wide. This year Lehman Brothers was recognised by IFR magazine as 'Bank of the Year 2002' and by its peers and clients as 'Most Impressive Bank for Overall Capital Raising Abilities' and 'Most Innovative House for New Ideas, Structures and Opportunities' in Euroweek magazine.