



PRESS RELEASE

PIRELLI RE AND SOROS REAL ESTATE INVESTORS ACQUIRE 26 FORMER ENEL PROPERTIES FROM DEUTSCHE BANK AND CDC FOR EUR 93 MILLION

**85% OF THE PROPERTIES, MOSTLY ZONED FOR INDUSTRIAL
USE, ARE LEASED TO ENEL GROUP COMPANIES**

**OPERATION ACHIEVED THROUGH THE SPAZIO INDUSTRIALE
JOINT VENTURE (PIRELLI RE 25% - SOROS 75%)**

Milan, 23 July 2004 – Spazio Industriale, the joint venture between Pirelli RE (25%) and Soros Real Estate Investors (75%), today signed a preliminary agreement to acquire from Excelsia Otto (vehicle controlled by DB Real Estate Global Opportunities fund, managed by Deutsche Bank, and CDC-IXIS) **26 properties** formerly belonging to ENEL for **93 million Euro**.

The properties are part of a primarily **industrial** block of the portfolio the ENEL Group recently sold to the Deutsche Bank/CDC-IXIS consortium. They are located throughout Italy, with total construction of 150,000 m², and 85% are leased to the ENEL Group, part under long-term contracts (12+6 years).

This operation is the first **acquisition of significant size** concluded by the Pirelli RE/Soros Real Estate Investors joint venture, which proposes to invest over 500 million Euro in **industrial property** (light industrial, logistics, industrial and technologic parks) in the coming year, through both acquisitions of existing portfolios and development projects. The objective is to enter **a market with strong potential** but still hindered by a scarcity of available product and a lack of qualified operators.

The acquisition also serves to define a portfolio with suitable characteristics for forming a **seeded real estate fund specialized in industrial properties**, which Pirelli RE intends to launch **during 2005**, according to its 2004-2006 three-year plan.

Regarding **new product development**, the Spazio Industriale joint venture is committed to realizing the **Induxia** project in an area south of Milan (Lacchiarella and Binasco), representing Italy's **first corporate park**. This property development model, first devised in the United States, combines various types of corporate

buildings—high-tech labs, industrial facilities, commercial activities, office buildings, etc.—at a single site with high environmental quality.

Ashurst acted as legal advisor to the acquiring joint venture in the operation.

For further information:

Pirelli RE Press Office Tel. +39/02/8535,4270

Pirelli RE Investor Relations Tel. +39/02/8535.4057

www.pirellirealestate.com