



## PRESS RELEASE

### **BINDING AGREEMENT BETWEEN UNICREDIT AND THE PIRELLI RE/MORGAN STANLEY REAL ESTATE FUNDS (MSREF) JOINT VENTURE**

#### **PROPERTIES WORTH OVER A BILLION EURO – DRAWN FROM THE ASSETS OF CORDUSIO IMMOBILIARE (UNICREDIT) AND FROM THE PIRELLI RE/MSREF JOINT VENTURE – CONCENTRATED IN A SINGLE COMPANY**

*Milan, November 26<sup>th</sup>, 2004* – UniCredit and the Pirelli RE/ Morgan Stanley Real Estate Funds (30%-70%) joint venture have reached an **agreement** for the **exploitation** of part of the **non-strategic real estate portfolio** of the UniCredit Group. The assets are held by Cordusio Immobiliare (wholly controlled by UniCredit). The portfolio, **mainly for office use** and mostly located in the north of Italy, features approximately **250 properties** and includes scattered individual properties, land and “top-to-bottom” properties such as Villa Gernetto in Lesmo (MI), currently used as a training centre, and other office complexes in the centre and north of Italy.

The project will involve in the month of december the **concentration within a new company** of the assets of **Cordusio Immobiliare**, for a market value of over **300 million** Euro, generating an estimated net capital gain of approximately 100 million Euro. Within the same NewCo the **Pirelli RE/MSREF joint venture** will concentrate a portfolio consisting of 11 properties, acquired over the last few years, mainly for office use, with a market value of over **750 million** Euro and currently held by the companies Aida and MSMC Immobiliare 4.

The stakes in the new company, on the basis of the contribution net values, will be held by the **Pirelli RE/MSREF** joint venture with a share of **85%** and by **UniCredit** with a share of **15%**.

The merger will bring together two **very well matched** real estate portfolios; the former features small, scattered properties while the latter offers large scale assets ripe for redevelopment. This will allow the NewCo – supported by Pirelli RE who will provide asset management and specialist services – to develop a business plan for the **exploitation** and subsequent **disposal of the assets in the short to medium term**. The nature of the Cordusio Immobiliare portfolio means that it will benefit from an effective sales channel in the shape of the agencies of **Pirelli RE Franchising**.

The financial advisors for the operation were UBM for UniCredit, Merrill Lynch for the Pirelli RE/MSREF joint venture, Mediobanca for Pirelli RE, Morgan Stanley for MSREF. The legal advisors were Grimaldi e Associati for UniCredit and Freshfields Bruckhaus Deringer for the Pirelli RE/MSREF joint venture.

The financing of the operation will be arranged by Banca Intesa and Hypo Real Estate Bank International.

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