



- **PIRELLI RE FRANCHISING
EXCEEDS ITS GOAL OF 500 AGENCIES**

- **EXCEEDED A MONTH AHEAD THE YEAR-END OBJECTIVE**

- **TARGET OF 1.000 AGENCIES BY THE END OF 2005**

Milan, 14 December 2004 – Pirelli RE Franchising, the network of real estate agencies of the Pirelli RE Group, exceeded its goal of **500 agencies** one month ahead of the **year-end objective 2004** stated in the three-year plan.

The Pirelli RE Franchising network, created as a strategic evolution of the Pirelli RE business model targeted to retail customers, introduced to the market an innovative concept of agency, in addition to **real estate services**, also able to offer a series of diversified products - **mortgage loans, leasing, insurance** - linked to the purchase of property, as part its consulting approach to the retail market.

Thanks to the success of the franchising activity, launched in October 2003 and focused primarily on existing realtors with solid professional backgrounds, the Pirelli RE Franchising network can already boast **a meaningful presence in the major cities of Italy** (over 100 contracts for Rome and Milan, followed by Turin and Naples) and at the same time **widespread coverage of the country**. The agencies that have already **completed the changeover process** and opened under the new banner number **around 300 throughout Italy** (from Valle d'Aosta to Apulia, from Trentino Alto Adige to Sicily).

Pirelli RE Franchising affiliates can exploit synergies with Pirelli RE activities by supporting the asset management business units and the Group service companies and participating in the disposal of important real estate portfolios. In the first 11 months of the year, Pirelli RE Franchising agencies have marketed residential and office **properties worth 300 million euro** from the portfolios **managed by Pirelli RE**.

To maintain high standards of quality, expertise and professionalism, courses have been initiated at the **Pirelli RE Academy**, a school managed in partnership with MIP, the business school of Milan Polytechnic University. Since its inauguration, the school has already delivered **600 hours** of training to **over 1,600 participants** from affiliated agencies. In 2005 the school will become fully operational, with the launching of courses for the managerial and entrepreneurial levels, completing its training curriculum.

The network development plan calls for **1,000 affiliates by** the end of **2005** and **1,500** by the end of **2006**. Total investment to launch the franchising project is equal to 20 million euro. Pirelli RE Franchising expects to reach **break-even in 2005** and profitability in 2006, with a significant contribution to the growth of the Pirelli RE Group.

“The Italian real estate brokerage market offers interesting growth prospects. In our country, in fact, only 40% of the transactions are effected through agencies, unlike what occurs in more evolved markets like the United States and United Kingdom, where the brokered share reaches 90%,” declared Paolo Bottelli, Central Manager, Commercial Services of Pirelli RE and Managing Director of Pirelli RE Franchising. *“The number of real estate agencies that decide to join networks is also growing, because of the greater transparency and commercial security they provide. In this scenario”* he concluded *“the decision of Pirelli RE to enter the retail market through a franchising network has proven a wise one, and the success achieved by the realtors in the proof”*.

In the second half of 2004 Pirelli RE inaugurated its new portal www.pirellirefranchising.com, through which users can search for the properties best suited to their needs or contact their nearest agency, to either buy or sell their properties.

Pirelli RE Franchising is a company controlled by Pirelli RE for the 70% and participated - with a 10% stake each - by Assicurazioni Generali, SelmaBipiemme Leasing (Gruppo Bancario Mediobanca) and UniCredit Banca per la Casa (Gruppo UniCredito Italiano).

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