



## PRESS RELEASE

- **THE JOINT VENTURE PIRELLI RE (35%) AND RREEF (65%) WINS A PORTFOLIO OF 29 PROPERTIES FROM ENPAM; WORTH €305 M**
- **PROPERTIES TO BE TRANSFERRED TO THE SOCIAL & PUBLIC INITIATIVES FUND AT THE DEAL'S CLOSING IN THE AUTUMN**
- **THIS OPERATION CONFIRMS PIRELLI RE, ALONG WITH ITS HIGH-PROFILE FINANCIAL PARTNERS, AS THE WELFARE AND PENSION INSTITUTIONS' PLAYER OF CHOICE FOR THE OPTIMIZATION OF THEIR REAL ESTATE PORTFOLIOS**

*Milan, June 28th, 2007* – The joint venture Pirelli RE (35%) - RREEF Global Opportunities Fund II (65%), an investment fund managed by the Deutsche Bank Group, has won the bid called by ENPAM (Ente Nazionale di Previdenza e Assistenza dei Medici e Odontoiatri - the National Welfare and Pensions Institution for Doctors and Orthodontists), for a portfolio of **29 mixed-use properties** worth **€305 million**.

The closing will take place autumn with the portfolio being transferred to **Social & Public Initiatives**, an opportunistic real estate **fund** managed by Pirelli RE Opportunities SGR. All the fund's units will be subscribed by the Pirelli RE (35%)-RREEF (65%) joint venture.

ENPAM is thereby continuing to enhance the value of its real estate portfolio using the device of seeded real estate funds, allowing it to maximize sale value and accelerate the disposal process. It will be recalled that this welfare and pensions institution started this process in July 2005 when it transferred 19 residential property to the Diomira fund, managed by Pirelli RE Opportunities SGR.

The current portfolio comprises **mixed-use properties**, mostly offices and retail space, located primarily in **Lombardy**, in the province of Milan, and in **Tuscany** with a **total area of some 226,000 sqm**, as well as **building land of approximately 37,000 sqm** in the Milan area. These assets include certain quality properties located in Milan's downtown area - like Via Manzoni – as well as sites located within Greater Milan, offering attractive redevelopment potential.

The strategy of portfolio value enhancement involves active management both through major development and redevelopment of part of the properties and through targeted measures to improve returns, with the goal of reducing vacancy rates currently at around 54%.

The Pirelli RE-RREEF joint venture has made 3 acquisitions in Italy and Germany since the start of the year worth over €1.6 billion.

This operation confirms Pirelli RE, along with its high-profile financial partners, as **welfare and pensions institutions' player of choice** for enhancing the value of their real estate portfolios (total estimated market value of over €20 billion).

The firms Bonelli Erede Pappalardo and Chiomenti Studio Legale have acted as the joint venture's legal advisors, while CB Richard Ellis Professional Services has acted as the independent expert. The firm Colliers Elitrade has acted as advisor to Enpam and NCTM has acted as legal advisor.

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