

PRESS RELEASE

- **CREATION OF PIRELLI RE INTEGRATED FACILITY MANAGEMENT BV, 51% PIRELLI RE – 49% INTESA SANPAOLO, IN ORDER TO CREATE A EUROPEAN LEADER IN FACILITY AND PROJECT MANAGEMENT**
- **ALL FACILITY AND PROJECT MANAGEMENT BUSINESSES OF PIRELLI RE FACILITY MANAGEMENT IN ITALY AND POLAND TRANSFERRED TO THE COMPANY**
- **CONSOLIDATED REVENUES FOR 2007 ESTIMATED AT OVER €430 M WITH EBITDA OF MORE THAN €26 M**
- **THE NEW COMPANY PLANS TO ACQUIRE THE FACILITY AND PROJECT MANAGEMENT ACTIVITIES OF DGAG (PIRELLI RE GROUP) IN GERMANY, OF PIRELLI PEKAO RE IN POLAND AND THE FACILITY DIVISION OF FIAT FINANCE ET SERVICES IN FRANCE, AS WELL AS TO MAKE OTHER ACQUISITIONS IN EUROPE**
- **MEDIUM-TERM TARGETS: REVENUES OF OVER €1 BILLION, EBITDA OF OVER €60 M**

Milan, June 27th, 2007 – **Pirelli RE** has made an alliance with **Intesa Sanpaolo** to create a **European leader in the facility and project management sector.**

Following the recently signed joint venture agreements, today **Intesa Sanpaolo** has bought from Pirelli RE **49%** of Pirelli RE Facility Management Netherlands BV, which will change its name to **Pirelli RE Integrated Facility Management BV.**

At the same time this company has taken over from Pirelli RE 100% of **Pirelli RE Facility Management**, one of the leading companies in Italy with a presence throughout the country, around 1,000 employees and operations in Poland through Ingest Polska. Ingest Polska will be subsequently purchased by Pirelli RE Integrated Facility Management BV resulting in a corporate organizational structure for each country.

Consolidated revenues for 2007 are estimated at over €430 million, with Ebitda of more than €26 million. The major customers include: Albacom, Beni Stabili, BNL, Deutsche Bank, Fiat Group, Galbani, the Italian Civil Service, RAS, Telecom Italia (through the subsidiary MPF), Vodafone and Wind, as well as the real estate companies and funds invested in and managed by Pirelli RE.

Subsequently, the facility and project management activities of DGAG (Pirelli RE Group) in Germany and of Pirelli Pekao RE in Poland, the latter being due to be merged with those

of Ingest Polska, along with the facility division of Fiat Finance et Services in France will be transferred to this new group

Pirelli RE Integrated Facility Management BV also plans to acquire other companies in countries where it already operates and in Central-Eastern Europe, with the goal of positioning itself as one of Europe's top groups in this sector. This new-born player has a **medium-term** target of over **€1 billion** in revenues and **more than €60 million** in Ebidta.

Through this joint venture the Pirelli RE Group is creating an alliance with a financial partner of prime standing in order to pursue the European expansion of its service provider business, in line with the internationalization process already successfully started for its investment and asset management business.

As far as Intesa Sanpaolo is concerned, the operation is in line with its strategy to invest venture capital in leading Italian companies operating in high-growth-potential sectors, like facility management, with a high propensity for international expansion.

The legal firm of Chiomenti advised Pirelli RE, while the firm Carnelutti advised Intesa Sanpaolo.

Facility and project management activities involve offering integrated solutions to users of every kind of building. More specifically: 1) **building services** (management and ordinary and extraordinary maintenance of buildings and related technological systems, energy management and design and management of co-generation plants); 2) **space services** (space planning and space management, document storage management and move in-move out); 3) **people services** (call centers, desk top management, reception, security, environmental hygiene, occupational safety and catering) and 4) **project management services** (co-ordination of executive design, planning of activities needed to construct and/or refurbish buildings/industrial sites, quality and cost control and testing activities).

According to leading consultant firms, the European facility and project management sector was worth approximately €190 billion at the end of 2005, with annual growth estimated at around 6-10%¹.

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¹ Sources: Roland Berger and Lünendonk