

PRESS RELEASE

HINES AND CALE STREET FINALIZE AGREEMENT WITH MILANOSESTO S.P.A. TO INVEST 500 MILLION EUROS THROUGH A FUND MANAGED BY PRELIOS GROUP TO ACQUIRE AND DEVELOP THE FIRST PHASE OF THE 1.5 MILLION-SQUARE-METER MILANOSESTO PROJECT WITH FINANCIAL BACKING OF INTESA SANPAOLO GROUP.

Hines Italy is already the overall strategic advisor and development manager, together with Prelios Group as project manager, of the entire MilanoSesto development, the largest urban regeneration project in Italy and one of the largest in Europe.

Milan – October 21, 2020 – Hines, the international real estate firm, in partnership with Cale Street, a real estate investment and finance firm backed by the Kuwait Investment Office, has completed the signing of a framework agreement with Milanosesto S.p.A for the acquisition and development of “Unione Zero”, the first parcel to be developed in MilanoSesto – a project located in the north-east quadrant of Milan's metropolitan area, for which Hines Italy serves as a strategic advisor and development manager.

The first plot investment of 500 million euros, with Prelios Group as the fund manager, will fuel the development of approximately 250,000 gross square meters.

The master plan for MilanoSesto, designed by Foster + Partners, will transform a 1.5 million-square-meter area, into an attractive, dynamic, sustainable, progressive urban destination with new residential areas, best-in-class office environments, retail and hospitality. New town squares and modern, open-air public spaces will connect people, as plentiful green space spreads over 45 hectares, creating another large urban park for Milan, slated to be one of the largest in the Lombardy Region. Furthermore the project will be adjacent to the future City of Health and Research, a crucial public hub for clinical and scientific excellence formed by new branches of the Besta Neurological Institute and the Tumor Institute.

The first phase of development, set to begin in 2021, is subject to Milanosesto S.p.A obtaining all licenses and permits for the site's infrastructure, as well as the completion and certification of already well-advanced remediation work for the “Unione Zero” parcel.

MilanoSesto will be at the forefront of modern city living and will strive to become a model for urban regeneration in Europe and globally. The project will include alternative residential product offering affordable rents to welcome a socioeconomically diverse collection of residents including students, families and the elderly. It will also include a range

of spaces focused on encouraging social interactions and inclusiveness, as well as modern services designed for the needs of different generations, such as child care and co-working areas.

MilanoSesto aims to bridge the gap between demand and supply in relation to people's living needs and social inequalities with a long-term perspective. The investment objective is to build a unique development project in Italy that is in line with the most advanced international environmental and social sustainability standards, the circular economy, and ESG principles. The approach is championed by Intesa Sanpaolo Group, which has supported the project from its very first stages, believing in this extraordinary opportunity not only for the Greater Milan area, but for the whole of Italy – ensuring the presence of an experienced and forward-thinking institutional investors in the project.

“We are very proud to have set in motion a project that will lead to the redevelopment of a very important area of the Greater Milan with a strong industrial tradition, which has been inactive for more than 20 years,” commented **Mario Abbadessa**, Senior Managing Director & Country Head of Hines Italy. “This region, one of Europe's most dynamic and most promising, will see the launch of a sustainable and innovative residential development featuring affordable rents, links to the city center and modern services for students, families, and the more mature. This is another significant achievement for our Italian office and is the result of teamwork.”

“Prelios' professionals have lavished great expertise and commitment in identifying a highly innovative solution for an area that is a real estate unicum. We are honored that Italy's leading financial institution, Intesa Sanpaolo, has placed its trust in the capabilities of our Group,” Prelios Chairman **Fabrizio Palenzona** declared. “The MilanoSesto project is projected toward the future, young people, new lifestyles, and is an example of the application of ESG principles to urban regeneration on a European scale. Hines has the fundamental merit of having understood the area's potential and deploying the strategies and best practices that only a world giant can access. This project is proof that with people of great vision like Carlo Messina, Italy can go far.”

“The MilanoSesto project is one of Europe's significant urban redevelopment plans, aiming to make Sesto San Giovanni an integral part of the Milan Metropolitan Area, including through the presence of leading structures such as the City of Health and Research,” said **Carlo Messina**, CEO of Intesa Sanpaolo. “The development of the MilanoSesto area, which is attracting top Italian and international real estate players such as Prelios and Hines, will benefit the whole community in terms of jobs. The redevelopment of the former Falck industrial areas alone will employ thousands of people, without counting indirect jobs, and added to these will be new jobs created for the structures dedicated to education, research and entertainment. In this regard, our involvement is part of our broader strategic goal to create the world's first Impact Bank serving sustainable and inclusive development.”

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"The choice of an international investor like Hines - **Giuseppe Bonomi**, CEO of Milanosesto S.p.A., stated - represents the best trusted companion to finally and concretely start the development phase of the area. I am very pleased with an agreement whose amount is the attitude to long-term investments. A feature that is fully consistent with Intesa Sanpaolo's vision that in recent years has guaranteed the hold and the chance to a future for a precious and strategic portion of the Milan metropolitan area, whose disposal dates back almost a quarter of a century."

The initiative is further confirmation of the success of Hines investment strategy in Italy, which is strongly geared toward a long-term industrial approach. Within large-scale urban regeneration projects, this translates to reclaiming and redeveloping abandoned areas into effective, sustainable, and inclusive urban communities based on a combination of services designed for a new intergenerational mix.

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Hines is a privately owned global real estate investment firm founded in 1957 with a presence in 225 cities in 25 countries. Hines has approximately \$144.1 billion of assets under management, including \$75.5 billion for which Hines serves as an investment manager, including non-real estate assets, and \$68.6 billion for which Hines provides third-party property-level services. The firm has 165 developments currently underway around the world. Historically, Hines has developed, redeveloped or acquired 1,426 properties, totalling 43 million square metres. The firm's current property and asset management portfolio includes 576 properties, representing over 22 million square metres. With extensive experience in investments across the risk spectrum and all property types, and a pioneering commitment to sustainability, Hines is one of the largest and most-respected real estate organizations in the world.

Since entering Europe in 1991, Hines has grown its European platform to include offices in 16 cities as well as a presence in 55 cities in 13 countries, with €22.7 billion of assets under management, including €19.8 billion for which Hines serves as an investment manager and €2.9 billion for which Hines provides third-party property management services in Austria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Poland, Spain and the United Kingdom.

Visit www.hines.com for more information.

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Prelios Group

The Prelios Group is the gateway to Italian real estate and the leading player in alternative asset management, distressed loan management and highly specialized property services.

With more than 40 billion euro of assets under management and over 10 million square meters of managed property, the Prelios Group provides a complete range of services and skills to manage property portfolios and distressed loans, and is the only Italian player with the capabilities to act in every phase of the Italian real estate and economic cycle.

For more information, visit prelios.com.

Intesa Sanpaolo

The Intesa Sanpaolo Group is one of the top banking groups in Europe, with a market capitalisation of 31.1 billion euro(1), and is committed to supporting the economy in the countries in which it operates, specifically in Italy where it is also committed to becoming a reference model in terms of sustainability and social and cultural responsibility. Intesa Sanpaolo is the leader in Italy in all business areas (retail, corporate, and wealth management). The Group offers its services to 11.8 million customers through a network of approximately 3,700 branches well distributed throughout the country with market shares no lower than 12% in most Italian regions. Intesa Sanpaolo has a strategic international presence, with approximately 1,000 branches and 7.2 million customers, comprising subsidiaries operating in commercial banking in 12 countries in Central Eastern Europe and Middle Eastern and North African areas and an international network of specialists in support of corporate customers across 25 countries, in particular in the Middle East and North Africa and in those areas where Italian companies are most active, such as the United States, Brazil, Russia, India and China.

(1) As at 30 September 2020

MilanoSesto

MilanoSesto, the largest urban regeneration project in Italy and one of the most ambitious in Europe, will transform an area of more than 1.5 million square meters, where the Falck Steelworks of Sesto San Giovanni once stood, into an efficient, sustainable and inclusive urban center. The masterplan designed by international architecture studio Foster + Partners foresees progressive development over the next few years with landscaping, residential areas, new squares, retail and office spaces and, above all, places designed to connect people. Located in a strategic position north-east of Milan, the area is well connected to the surrounding communities thanks to the new Sesto San Giovanni railway station

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to be built by June 2023, the subway station and the major trunk roads providing rapid access to the city center, the tollways and the rest of Lombardy.

The development project comprises a unique mix of functions, including innovative housing based on accessibility criteria, special services for the individual and an intergenerational scheme of student housing, multifamily residences for professionals and young families, and senior housing. The area will also include a 45 hectare park, an extensive green “lung” for the entire Milanese metropolitan area, integrated with the historic industrial buildings. As a result, MilanoSesto will be a new urban center able to accommodate more than 50,000 residents, city users and visitors on a daily basis. It will also be the site of the Health & Research District, a major public complex of clinical and scientific excellence comprising the new sites of the Besta neurological institute and the National Tumor Institute.

MilanoSesto S.p.A., the owner of the areas, and the implementing body and the contract awarder, works in partnership with Hines and Prelios, two leading real estate players recognized for their experience, reliability and transparency in relations with all stakeholders.

Visit www.milanosesto.it for more information.

Cale Street

Cale Street is a real estate investment and finance firm focused on the United Kingdom, Western Europe and North America. Since its inception in 2014, Cale Street has provided innovative structured debt and/or equity capital solutions to investors, operators and developers in eight countries across most major real estate asset classes and in multiple currencies.

Cale Street has created a unique model designed to provide security of income and capital preservation in partnership with the Kuwait Investment Office, the London office of the Kuwait Investment Authority and the world’s first sovereign wealth fund established in 1953. Cale Street’s target transaction size for prospective debt and/or equity capital opportunities is in a range between €125 million and €750 million.

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