PRESS RELEASE

• PIRELLI RE AND GE PRESENT WINNING BID FOR A NON-PERFORMING LOAN PORTFOLIO ORIGINATED BY BANCA ANTONVENETA AND ITS SUBSIDIARY INTERBANCA (ABN AMRO GROUP); GROSS BOOK VALUE APPROX. €1 BILLION

• PIRELLI RE WILL COINVEST WITH A 35% STAKE AND WILL INVOLVE THE STRATEGIC PARTNER CALYON IN THE INVESTMENT

• EXCLUSIVE AGREEMENT SIGNED WITH BANCA ANTONVENETA FOR THE ACQUISITION WITH GE OF ADDITIONAL NON-PERFORMING LOANS IN EARLY 2007, FOR A GROSS BOOK VALUE OF APPROX. €5.1 BILLION

• NPLs PORTFOLIO FOR WHICH PIRELLI RE ACTS AS EXCLUSIVE ASSET MANAGER AND, THROUGH PIRELLI RE CREDIT SERVICING, AS EXCLUSIVE SPECIAL SERVICER, REACHES APPROX. €7.9 BILLION GROSS BOOK VALUE (NET BOOK VALUE €2.1 MILLION)

Milan, January 2, 2007- Pirelli RE and GE, through GE Real Estate Italy and GE Commercial Finance Services Italy, have successfully bid for a non-performing mortgage and corporate loan portfolio originated by Banca Antonveneta and its subsidiary Interbanca (ABN Amro Group), with a gross book value of approximately €1 billion.

The portfolio consists of 275 loans secured by residential, hotel and industrial properties.
Pirelli RE has a 35% share in the investment and will involve in the transaction Calyon, the joint venture partner in the NPL sector.

Pirelli RE and GE have also signed an exclusive agreement to acquire additional non-performing loans in early 2007, with a gross book value of circa €5.1 billion, from Banca Antonveneta. Pirelli RE will coinvest with a 50% stake, with an option to involve the jv with Calyon in its investment stake.

The deal signed brings the gross book value of non-performing loans managed by Pirelli RE as exclusive asset manager and, through the fully owned company Pirelli RE Credit Servicing, as exclusive special servicer to approx. €7.9 billion (net book value €2.1 billion).
Mediobanca acted as advisor for the transaction; Studio Bonelli, Erede e Pappalardo acted as Pirelli RE's legal advisors.

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