PRESS RELEASE

• PIRELLI RE FACILITY MANAGEMENT WINS FOUR CONSIP CONTRACTS FOR THE SUPPLY OF SERVICES TO GOVERNMENT BUILDINGS

• TOTAL CONTRACT VALUE: €274.5 MN

Milan, April 13th, 2007 – Pirelli RE Facility Management (100% Pirelli RE) will be leader of a temporary consortium that has won four out of twelve contracts awarded by Consip for the opening of special agreements for the provision of facility management services at buildings used by government agencies, mostly as offices. The consortium is made up of companies working primarily in the cleaning and environmental hygiene sector. The total value of the contracts, which will run for four years, is approximately €274.5 million.

More specifically, the consortium has been awarded: contract 1 (Val d’Aosta, Piedmont), for maximum earnings (i.e. the total value of services eligible for purchase under the special agreements at the agreed price) of €49.5 million; contract 3 (Trentino-Alto Adige, Friuli Venezia Giulia and the Veneto), for maximum earnings of €60 million; contract 9 (city halls located in the municipality of Rome, excluding no. 1), for maximum earnings of €95 million; and contract 12 (Calabria, Sicily), for maximum earnings of €70 million.

The contracts have been awarded on a provisional basis, with finalization subject to standard procedure; the special agreements are expected to be signed by the end of June. For each contract, the agreements will be good for 18 months and may be extended for an additional 12 months, if the maximum earnings have not been reached by that time.

Pirelli RE Facility Management is one of Italy's leading facility management companies and operates throughout the country with approximately 1,000 employees. Its main offices are in Milan, Ivrea, Turin, Genoa, Padua, Bologna, Rome, Naples, Bari, Catania, Palermo and Cagliari. The services offered focus on: 1) buildings (management and routine & extraordinary maintenance of properties and their plants and systems; energy management; design and management of cogeneration plants*); 2) spaces (space planning and space management, archive management and move in—move out); 3) people (call center, desk top management, reception, surveillance, environmental hygiene, safety in the workplace and catering) and 4) project management (final design coordination, planning of steps required for the construction/renovation of properties or industrial sites, supervision of works).

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* Cogeneration is the combined production of electricity and thermal energy.
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