



PRESS RELEASE

Milan, December 12th, 2007 – With regard to the reports appearing in the press today referring to a possible alliance in the premium retail sector, Pirelli RE would like to clarify that no agreement whatsoever has been reached regarding an exchange of shares between Karstadt, La Rinascente and Printemps. A non binding letter of intent was signed by Arcandor (Karstadt), Pirelli RE, RREEF and the Borletti Group for the sole purpose of evaluating whether or not the conditions could develop in the future for the creation of a European premium retail group. Furthermore, please note that neither La Rinascente nor the shareholder Investitori Associati signed the previously mentioned letter of intent. In the event it is deemed opportune to move forward, the transaction will be subject to the approval of La Rinascente and all of its shareholders.

For additional information:

Pirelli RE Press Office Tel. +39/02/8535.4270
Pirelli RE Investor Relations Tel. +39/02/8535.4057
www.pirellire.com