PRESS RELEASE

PROPERTY SALES IN THE FIRST HALF OF 2008 AMOUNT TO €530 MN (MORE THAN 6% WITH RESPECT TO OPEN MARKET VALUE); GROUP SHARE €208 MN (39%)

GROSS MARGIN: €109 MN (21%), €44 MN PERTAINING TO PIRELLI RE

PIRELLI RE’S SALES INCLUDE THOSE MADE BY:
• THE FUNDS MANAGED BY PIRELLI RE SGR AND PIRELLI RE OPPORTUNITIES SGR FOR €298 MN (TRANSACTIONS DISCLOSED BY THE TWO COMPANIES ON JULY 1ST, 2008)
• AFFILIATED COMPANIES FOR €231 MN

COLLECTIONS ON NON-PERFORMING LOANS UNDER MANAGEMENT: €235 MN, GROUP’S SHARE €67 MN

PIRELLI RE AGENCY HANDLES SALES AS EXCLUSIVE AGENT

Milan, July 22nd, 2008 - Property sales by Pirelli RE in the first half of 2008 amount to €530 mn, more than 6% with respect to open market value; the Group’s share stands at €208 mn (39%).

The gross margin comes to €109 million (21%), of which €44 million pertains to Pirelli RE.

Property sales consist of €231 million sold by affiliates of Pirelli RE, and €298 million sold by the funds managed by Pirelli RE SGR and Pirelli RE Opportunities SGR. Those two companies disclosed the relevant transactions on July 1st, 2008.

Collections on non-performing loans under management amount to €235 mn, of which the Group’s share is €67 mn.

Real estate advisory services for the sales were provided exclusively by Pirelli RE Agency.

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