



PRESS RELEASE

PIRELLI RE: CARLO PURI NEGRI LEAVES THE POST OF EXECUTIVE VICE PRESIDENT

GIULIO Malfatto APPOINTED MANAGING DIRECTOR WITH RESPONSIBILITY FOR THE BUSINESS

CLAUDIO DE CONTO CONFIRMED AS MANAGING DIRECTOR FINANCE

Milan, April 8th, 2009 – Pirelli RE announces that Carlo A. Puri Negri is leaving the post of the Company's Executive Vice President. The Pirelli RE Board of Directors, its chairman Marco Tronchetti Provera and all the management thank him for his work over all these years and for his vital contribution in starting, managing and developing what has proven to be one of Europe's principal real estate players.

Carlo Puri Negri stated: "I am leaving the Company at the end of a cycle, after years of intense and stimulating work in which, together with my staff, to whom I extend my warmest thanks, we have created a business that, up until the crisis hitting the entire sector, was known for its dynamism and innovation. We have embarked on a deep reorganization in recent months, which I hope will allow Pirelli RE to emerge successfully from this phase of the economic cycle".

At the same time Giulio Malfatto is joining the Group as the Managing Director of Pirelli RE with responsibility for the business.

Claudio De Conto, currently Managing Director Finance, retains all his responsibilities of supervision and guidance in the financial area.

Giulio Malfatto is returning to the Group having worked in Pirelli RE up until 2006. He held the position of General Manager up until June 2003, after which he became Managing Director of Pirelli RE SGR.

The manager has stated: "I know Pirelli RE well, its know-how, the value of its assets and its potential. It will be a great opportunity for me and a challenge to implement the business model announced in recent months, based on achieving a greater balance between recurring revenues and structural costs typical of a management company, on focusing on more profitable portfolios and on developing the fund management company, Italy's leading real estate manager, as an aggregator for the real estate sector through the making of alliances with strategic partners".

Pirelli RE embarked on a reorganization in 2008 in order to face the new scenario and outlook for the real estate sector. This reorganization, announced in recent months, is proceeding and involves:

- 1) a new organizational structure focused on the two macro geographical areas of Italy and Germany/Poland with the goal of turning around the business and capitalizing on the quality of assets held in these countries, less exposed to real estate market volatility;
- 2) a reduction in operating and fixed costs, which should result already in 2009 in savings of some €50 million;
- 3) a restructuring action will continue in coming months with additional rationalization in the Non Performing Loans area.

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