PRESS RELEASE

PIRELLI RE: UPDATED MARKET VALUE OF ASSETS UNDER MANAGEMENT €17.0 BN

Real estate NAV €0.8 bn

Milan, May 11th, 2009 – In view of the forthcoming capital increase and in order to ensure that shareholders have complete information, Pirelli RE has requested its independent experts, as announced on April 20th, to update their valuations of the real estate portfolio managed at March 31st, 2009. Market values report a like-for-like variation of -0.5% since the end of December 2008.

These new valuations have an impact of around -€6.6 million on book value for Pirelli RE, in line with the guidance already given.

The market value of assets under management of €17.0 billion¹ (€17.3 billion at December 31st, 2008), comprises €15.2 billion in real estate (€15.4 billion at December 31st, 2008) and €1.8 billion in Non Performing Loans (€1.9 billion at December 31st, 2008): the difference in values since December 31st, 2008 is mostly attributable to the sale of property and collection of NPLs in the period.

The Pirelli RE share of real estate NAV² is approximately €800 million, staying generally in line with the value at December 31st, 2008.

Gerardo Benuzzi, Pirelli RE's Financial Reporting Officer, attests - pursuant to para. 2, article 154-bis of the Financial Markets Consolidation Act (Decree 58/1998) - that the accounting information contained in this press release corresponds to the company’s underlying documentary records, books of account and accounting entries.

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¹ Market values at March 31st, 2009 based on the appraisals by independent experts, except for NPLs which are stated at book value.
² Consists of the difference between the Pirelli RE share of the participated assets' market value, as estimated by independent experts, and its share of the related net financial position.