PRESS RELEASE

PIRELLI RE: SUCCESSFUL CLOSE TO CAPITAL INCREASE OF SOME €400 MILLION

Unexercised rights also placed on market

Milan, July 22nd, 2009 – Pirelli RE announces the successful close of the divisible capital increase for cash approved by the extraordinary shareholders’ meeting on April 17th, 2009. In fact, at the close of the stockmarket auction, held in accordance with art. 2441.3 of the Italian Civil Code, all the unexercised rights had been placed on the market. The capital increase subsequently closed with the full subscription of the remaining 5,106,240 ordinary shares offered under option at the price of €0.50 per share, corresponding to a total value of €2,553,120.

The capital increase has therefore ended with subscription to all the 798,574,545 new-issue ordinary shares, corresponding to a total value of €399,287,272.50 before costs.

Pirelli RE’s new share capital, which will be registered with the Companies Register, therefore amounts to €420,585,888.50, divided into 841,171,777 ordinary shares with a par value of €0.50 each.

You are reminded that in compliance with the undertakings given and as stated in the prospectus, Pirelli & C. S.p.A., Pirelli RE’s controlling shareholder, has exercised all its rights by subscribing to 463,752,540 Pirelli RE new ordinary shares, corresponding to around 58.07% of the shares offered, with a value of some €231,876,270.00, by converting part of its loans to Pirelli RE into capital. As a result, Pirelli & C. owns 487,798,972 shares, corresponding to around 57.99% of Pirelli RE’s new share capital.

For additional information contact:
Pirelli RE Press Office Tel. +39/02/6442.4270
Pirelli RE Investor Relations Tel. +39/02/6442.4057
www.pirellire.com