

## PRESS RELEASE

- **THE AGREEMENT FOR THE SETTING UP OF PIRELLI PEKAO REAL ESTATE, WITH THE PARTECIPATION OF 75% STAKE HELD BY PIRELLI RE AND 25% BY BANK PEKAO (UNICREDIT GROUP) HAS BEEN SIGNED**
- **PIRELLI PEKAO REAL ESTATE WILL BE THE NEW NAME OF PEKAO DEVELOPMENT, ALREADY ACTIVE IN THE REAL ESTATE MARKET IN POLAND WITH ALMOST 40 EMPLOYEES AND A PORTFOLIO OF 120,000 SQUARE METERS OF RESIDENTIAL DEVELOPMENT**
- **THE GOAL OF THE AGREEMENT IS THE GROWTH OF PIRELLI PEKAO REAL ESTATE IN POLAND ACCORDING TO PIRELLI RE BUSINESS MODEL**
- **CLOSING OF DEAL IS EXPECTED BY THE END OF MARCH, SUBJECT TO APPROVAL BY THE RELEVANT AUTHORITIES**

*Milan, 15 February 2006* – The agreement for the setting up of **Pirelli Pekao Real Estate**, a company with the participation of 75% stake held by Pirelli RE and 25% by Bank Pekao S.A. (Unicredit Group), has been signed today.

Pirelli RE acquired from Bank Pekao S.A. 75% of **Pekao Development**, which will be renamed to Pirelli Pekao Real Estate, for approximately 20 million euros. The Company is one of the leading property developers operating in the Polish market, with almost 40 employees managing various residential property development projects in the city of Warsaw of approximately 120,000 square meters.

The goal of Pirelli Pekao Real Estate is to conduct its business operations combining Pirelli RE business model with Bank Pekao S.A. financial strength, in order to achieve a leading position on the Polish real estate market.

With the signing of this agreement, Pirelli RE begins its expansion in the Central and Eastern Europe Region.

Closing of the deal is scheduled for the end of March, subject to approval by the Polish Antitrust Authority.

Studio Chiomenti law firm and Gilde Loyrette Nouel acted as legal advisors for Pirelli RE.

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The Polish real estate market offers interesting growth prospects, thanks to the improved economic situation of the country, which has contributed to attracting significant investments by international operators (approximately 506 million euros in the first half of 2005 according to CB Richard Ellis figures). The residential sector is particularly lively, especially in Warsaw, where Knight Frank estimates that approximately 12,000 units should have arrived on the market by the end of 2005, given the scarcity of product, especially in the medium-high segment.

For additional information:

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