

PRESS RELEASE

- **PIRELLI PEKAO REAL ESTATE (NEW NAME FOR PEKAO DEVELOPMENT), 75% OWNED BY PIRELLI RE AND 25% BY BANK PEKAO (A UNICREDIT GROUP COMPANY) GETS ANTITRUST CLEARANCE**
- **ALREADY CLOSED THE FIRST ACQUISITIONS AFTER SIGNING: TWO LANDS OF TOTAL 170,000 M² OF RESIDENTIAL DEVELOPMENT FOR A VALUE OF APPROXIMATELY €33M**
- **THE DEVELOPMENT PROJECT PORTFOLIO GROWS FROM 120,000 M² (APPROX. 1,600 APARTMENTS) TO 290,000 M²**
- **NEGOTIATIONS ALREADY UNDERWAY FOR FURTHER 140,000 M²**
- **GOAL TO ACHIEVE POLISH MARKET LEADERSHIP, OFFERING QUALITY REAL ESTATE PRODUCTS IN VARIOUS SEGMENTS (RESIDENTIAL, RETAIL, OFFICES, LIGHT INDUSTRIAL/LOGISTICS)**

*Warsaw, 3 April 2006 – **Pirelli Pekao Real Estate**, 75% owned by Pirelli RE and 25% owned by Bank Pekao S.A. (a Unicredit Group company), was launched today, following clearance from Poland's Antitrust Authority.*

Under the agreement announced on 15 February of this year, Pirelli RE bought 75% of Pekao Development (subsequently renamed Pirelli Pekao Real Estate) from Bank Pekao S.A. for a price of approximately €20m. The company, which employs around 40 staff, has closed the **first acquisitions**: a residential development land of approximately **150,000 m²** in **Warsaw** and an area of about **20,000 m²** in **Gdańsk**, for a total value of approximately €33m.

The **development project portfolio**, principally residential, grows from 120,000 m² (approximately 1,600 apartments), with 60% already under construction, to about **290,000 m²**. The principal projects include Wilanów-Park, Banderii and Okopowa.

The company is negotiating the purchase of a further 140,000 m² for development.

Combining the business model and experience of Pirelli RE and the business and financial strength of Bank Pekao S.A., Pirelli Pekao Real Estate will serve as a launch pad for real estate services and investments in the Polish market. The company will manage and develop areas and properties, supplying specialist real estate services for both its own portfolio and those of external customers. The company intends to expand its range of services to include retail banking and insurance services for homebuyers and owners.

Thanks to its shareholder structure, Pirelli Pekao Real Estate aims to achieve a position of leadership in the Polish market, offering quality products in the various segments, starting from residential properties.

Strategy will be decided on by a **Supervisory Board**, which will have seven members: Carlo A. Puri Negri, Olivier de Poulpique, Paolo Bottelli Rodolfo Petrosino, Enrico Signori of Pirelli RE and Jan Krzysztof Bielecki and Luigi Lovaglio of the Polish bank. The **Management Board**, made up of Ryszard Danielewicz and Salvatore Ruoppolo, will be responsible for implementing strategy.

Pirelli RE was assisted by the Chiomenti and Gide Loyrette Nouel legal practices, acting as Legal Advisors.

For further information contact:

Pirelli RE Press Office Tel. +39/02/8535.4270
Pirelli RE Investor Relations Tel. +39/02/8535.4057
www.pirellire.com

Bank Pekao Press Office Tel. +48/22/6560701
Bank Pekao Investor Relations Tel. +48/22/6560659
www.pekao.com.pl