



PRESS RELEASE

Milan, December 3rd, 2007 – With reference to what published in the press regarding the acquisition of a real estate portfolio from Arcandor, and as required by Consob, Pirelli RE confirms that negotiations are currently underway, together with Rreef, with the German company. Any agreement has yet to be reached, and no economic terms and conditions have been defined yet. As of today, it is not possible to estimate the date of signing of a possible agreement.

For additional information contact:

Pirelli RE Press Office Tel. +39/02/8535.4270

Pirelli RE Investor Relations Tel. +39/02/8535.4057

www.pirellire.com