



## PRESS RELEASE

### RESULTS AT MARCH 31ST, 2008 APPROVED

- **PRO-RATA AGGREGATE REVENUES: €301 MILLION (€405.8<sup>1</sup> MILLION IN FIRST QUARTER 2007)**
- **EBIT INCL. NET INCOME FROM INVESTMENTS BEFORE RESTRUCTURING COSTS(€2.3 MILLION): €27.3 MILLION (€35.3 MILLION IN FIRST QUARTER 2007 NET OF TEMPORARY CONSOLIDATION OF DGAG)**
- **CONSOLIDATED NET INCOME: €11.6 MILLION (€19 MILLION IN FIRST QUARTER 2007)**
- **NET FINANCIAL POSITION SUBSTANTIALLY IN LINE WITH END 2007: NET DEBT OF €300.3 MILLION**
- **FIRST HALF EXPECTED TO BE WEAK; FOR FULL YEAR 2008, IN LIGHT OF ONGOING ACTIONS/NEGOTIATIONS, EBIT INCL. NET INCOME FROM INVESTMENTS BEFORE RESTRUCTURING COSTS IS EXPECTED TO BE IN LINE WITH PRIOR YEAR (NET OF TEMPORARY CONSOLIDATION OF DGAG)**
  - **STRATEGIES:**
    - **FUND RAISING OF THE FIRST EUROPEAN OPPORTUNISTIC FUND OF APPROX. €1 BILLION**
    - **INCREASE ASSETS UNDER MANAGEMENT, INCLUDING MERGERS, FROM €13 BILLION (BOOK VALUE) UP TO A TARGET OF €18 BILLION, OF WHICH €4.6 BILLION ALREADY IN THE PROCESS OF BEING FINALIZED**
      - **SALES OF APPROX. € 2-2.5 BILLION**
      - **MAINTAIN A SOLID FINANCIAL STRUCTURE BOTH ON A CORPORATE LEVEL AND IN TERMS OF ASSETS UNDER MANAGEMENT**
    - **STREAMLINE ORGANIZATIONAL/CORPORATE STRUCTURES AND COSTS SAVINGS OF APPROX. €25-30 MILLION IN 2009 AND €35-40 MILLION AT REGIME**

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<sup>1</sup> Net of the sale of DGAG properties at cost through the disposal of shares to the joint ventures with RREEF and MSREF for €507.6 million.

Milan, May 8th, 2008 – At today's meeting, the Board of Directors of Pirelli & C. Real Estate examined and approved the interim financial report at March 31st, 2008.

Pirelli RE is an **alternative asset manager specializing in the real estate sector**. It manages funds and companies that own real estate and non performing loans in which it co-invests through minority stakes, aligning its interests with those of investors, and to which it provides, as well as to third party clients, a full range of specialized real estate services. The Group's principal activities are: identifying investment opportunities based on the different types of real estate products (residential, commercial and NPLs) and geographic location (Italy, Central and Eastern Europe), performing management services and supplying quality services (integrated facility management, property management, credit servicing and agency) through specific companies.

*"Although in the first half our results will reflect the general sector downturn, we are confident of an improvement in the second part of the year, confirming our already solid financial structure, not having suffered from the recent credit crunch" says Carlo A. Puri Negri, CEO of Pirelli RE. "Our strategy for 2008 foresees a focus on the core-core plus portfolios in Italy, and on residential in Germany and on development projects in large Italian and Eastern European urban centers. During the year we also intend to start a fund raising activity in order to launch in the next months our first European opportunistic fund, as well as strengthening the management structure of the NPL portfolios including with a view to obtain an up-grade from the main rating agencies. We are already implementing a restructuring plan to improve profitability and boost operational efficiency, which also involves optimizing the asset management and service platforms and staff in Italy and Germany with the goal of saving up to €40 million in costs at regime".*

*"The European real estate industry - concludes the CEO of Pirelli RE - is going through a process of consolidation; thanks to our recognized expertise we believe we can benefit from the current flight-to-quality in which investment opportunities with the best risk/return profile are the favourites".*

**Pro-rata aggregate revenues** amount to **€301 million** at March 31st, 2008 compared with €405.8<sup>2</sup> million at March 31<sup>st</sup> of the prior year.

Consolidated revenues are €189.5 million, compared with €201<sup>3</sup> million at the end of March 2007.

**EBIT including net income from investments before restructuring costs** is **€27.3 million** compared with €35.3 million in the first quarter of 2007 (net of the temporary consolidation of DGAG). After the above mentioned restructuring costs of €2.3 million, EBIT including net income from investments amounts to €25 million compared with €47.3 million in the first quarter of 2007.

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<sup>2</sup> Net of the sale of DGAG properties at cost through the disposal of shares to the joint ventures with RREEF and MSREF for €507.6 million.

<sup>3</sup> Net of the sale of DGAG properties at cost through the disposal of shares to the joint ventures with RREEF and MSREF for €507.6 million.

In detail, management activities (asset management and specialized services) have generated higher EBIT including net income from investments than the year before, while the contraction in sales – throughout the real estate sector as a whole – has depressed the results of co-investment activities relative to the first quarter of last year. Details of the different components of this result can be found in the subsequent comments on performance by the main business segments.

*You are reminded that pro-rata aggregate revenues and EBIT including net income from investments are the most important indicators of the Group's performance, expressing its share of turnover and trend in earnings respectively.*

**Consolidated net income** amounts to **€11.6 million** compared with €19 million at March 31st, 2007 (€22.4 million net of the temporary consolidation of DGAG).

**Group net equity** amounts to **€712 million**, basically in line with the €715.7 million reported at the end of 2007.

**Free cash flow** is a **positive €2.7 million** compared with a negative €843.2 million at March 31st, 2007, while **net cash flow from ordinary activities** is a **negative €10.6 million** compared with a negative €864.6 million the year before, with both prior year amounts reflecting the impact of acquiring DGAG.

**Net financial position** reports net debt of **€300.3 million** at March 31st, 2008, largely in line with the €289.7 million reported at the end of 2007 and €966.9 million at March 31st, 2007, before deconsolidating DGAG.

**Adjusted net financial position** (excluding shareholder loans to companies in which minority shareholdings are held) reports net debt of **€807.8 million**, having improved from €816.1 million at December 31st, 2007 and €1,299.7 million at March 31st, 2007 before deconsolidating DGAG. The **gearing ratio** is **1.13**, in line with the figure reported at the end of 2007 (1.79 in the first quarter of the prior year).

## **Performance of the main business sectors in the first quarter of 2008**

### INVESTMENT

**Co-investment activities**<sup>4</sup> report **pro-rata aggregate revenues** of **€112.5 million** (€254.8 million in the first quarter of 2007).

**EBIT including net income from investments** is **€4.5 million**, compared with €16.9 million in the corresponding period of 2007, net of the impact of DGAG.

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<sup>4</sup> Meaning net income from rents, capital gains on sales of real estate and/or companies and fair value adjustments.

Following the general slowdown throughout the sector, **real estate sales** amounted to **€199.8 million** in the quarter compared with €641.3 million at March 31st, 2007. A total of **€111.4 million in NPLs were collected** in the period, representing an improvement on the figure of €94 million collected in the first quarter of last year.

**Real estate and non performing loan purchases** amounted to **€52.2 million** (€334.5 million in the first quarter of 2007), on top of which there was the acquisition of the Karstadt portfolio for approximately €4.6 billion which is in the process of being finalized (Pirelli RE share equal to 12%)

### MANAGEMENT ACTIVITIES

**Overall management activities** (asset management and specialized services) have generated €186.2 million in **revenues**, up from €137.6 million at March 31st, 2007.

**EBIT including net income from investments, before restructuring costs** (€2.3 million), amounts to **€27.4 million**, having improved from **€24.1 million** in the first quarter of 2007.

#### *Asset Management Services*

**Revenues from asset management services** amount to **€37<sup>5</sup> million**, up from €27.3 million at March 31st, 2007.

**EBIT including net income from investments before restructuring costs** amounts to **€20 million**, compared with €10.2 million in the first quarter of 2007. After restructuring costs of €2 million, EBIT including net income from investments amounts to **€18 million**.

#### *Specialized Services*

**Revenues from specialized services** amount to **€149.2 million**, up from €110.3 million in the same period of last year.

**EBIT including net income from investments** is **€7.1 million** but **€7.4 million before restructuring costs**, compared with €13.9 million in the first quarter of 2007. The decrease in ordinary EBIT from services is attributable to the lower results reported by the Agency business.

### **Events subsequent to March 31st, 2008**

- On April 24th, 2008, the subsidiary Spazio Investment NV purchased, through the Spazio Industriale closed-end real estate fund, a new office building in Sesto San Giovanni (Milan) from the Pasini group for €27.5 million. The building has 13,100 sqm in space and part of it will be rented to Alstom Power Italy and part to the seller itself, which has undertaken to guarantee not less than 6 years in rental income.

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<sup>5</sup> Includes an end-of- mandate indemnity of approx. €17 million for the Fondo Berenice; this transaction is subject to approval by the Bank of Italy.

## Expected outlook for the business in 2008

The company expects assets under management to increase from the current €13 billion (book value) to €17-18 billion, with fund raising for the first European opportunistic fund and third party portfolio mergers to bring in a total of €6-7 billion (of which €4.6 billion already in the process of being finalized) and sales of approximately €2-2.5 billion, maintaining the current financial solidity in terms of both corporate and assets under management.

A two year cost savings and corporate streamlining program has been launched which focuses on the higher value added activities and which should result in savings of approximately €25-30 million in 2009 and of approximately €35-40 million at regime.

A weak first half is forecast while for full year 2008, in light of ongoing projects/negotiations, EBIT including net income from investments before restructuring costs is expected to be in line with the prior year (net of temporary consolidation of DGAG).

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The Board of Directors also, following the approval of the Stock Grant Plan 2008 and the Stock Option Plan 2008-2010 by the Shareholders' Meeting last April 14th and as per their mandate, proceeded with implementation of said incentive plans and approved the relative regulations. In terms of the Stock Option Plan 2008-2010, the Board appointed the beneficiaries and determined the number of options to be assigned to each as well as the performance indicators to be applied. The values/levels to be achieved will be defined upon approval of the new industrial plan.

In accordance with art. 84-*bis*, paragraph 5, of the Regulations for Issuers, issued by CONSOB in its resolution 11971/1999, Table 1 of Form 7 of Annex 3A of the same Regulations can be found in Annex 4. The Information Circular related to the *Stock Grant Plan* 2008 and the *Stock Option Plan* 2008-2010, complete with the details of both plans and amended to reflect the Board of Directors decisions, will be made available to the public in accordance with paragraph 1 of the above mentioned art. 84-*bis*, by the end of the day today.

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This press release contains references to the following alternative performance indicators for the purposes of better evaluating the Pirelli RE Group's results: pro-rata aggregate revenues, which reflect the Group's share of total turnover, calculated as the sum of consolidated revenues and the Group's share of the revenues of associated companies, joint ventures and real estate funds in which it has invested; EBIT including net income from investments, which is calculated as the sum of EBIT, the share of results of the companies carried at equity, the capital gains arising on the sale of investments, income from real estate funds and dividends from companies in which the Group has invested; net financial position, which is represented by gross financial debt less cash and other cash equivalents and other financial receivables; gearing, which corresponds to the ratio between net financial position excluding shareholder loans and net equity.

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Gerardo Benuzzi, Pirelli RE's Financial Reporting Officer, declares, 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 underlying documentary records, books of account and accounting entries.

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Reclassified, condensed versions of the consolidated income statement, balance sheet and cash flow statement are all appended to this press release. In compliance with CONSOB Communication 6064291 of July 28th, 2006, you are advised that these tables have not been audited by the independent auditors Reconta Ernst & Young S.p.A..

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**Reclassified income statement**

|  | A                       | B                       | C  |              |
|--|-------------------------|-------------------------|--|--------------|
|  | 01.01.2008 - 03.31.2008 | 01.01.2007 - 03.31.2007 | 01.01.2007 - 03.31.2007<br>- net of temporary<br>consolidation of DGAG - | % change A/C |
| (Euro/million)   |                         |                         |  |              |
| <b>Pro-rata aggregate revenues (1)</b>                                       | <b>301,0</b>            | 405,8                   | 374,4  |              |
| Consolidated revenues (1)  | 189,5                   | 201,0                   | 169,6  |              |
| EBIT before restructuring costs  | 26,8                    | 34,5                    | 22,5   |              |
| Net income from investments  | 0,5                     | 12,7                    | 12,7   |              |
| <b>EBIT including net income from investments before restructuring costs</b> | <b>27,3</b>             | <b>47,3</b>             | <b>35,3</b>  | -23%         |
| Restructuring costs  | (2,3)                   | 0,0                     | 0,0  |              |
| <b>EBIT including net income from investments (2)</b>                        | <b>25,0</b>             | <b>47,3</b>             | <b>35,3</b>  |              |
| Financial income from investments  | 7,5                     | 5,6                     | 5,6  |              |
| EBIT including net income and financial income from investments              | 32,5                    | 52,8                    | 40,8   |              |
| Other financial income/expenses  | (12,0)                  | (20,6)                  | (6,1)  |              |
| Profit before taxes  | 20,5                    | 32,2                    | 34,7   |              |
| Income taxes   | (7,5)                   | (12,4)                  | (11,5)   |              |
| Net income before minority interests   | 13,0                    | 19,8                    | 23,2   |              |
| Minority interests   | (1,4)                   | (0,8)                   | (0,8)  |              |
| <b>Consolidated net income</b>   | <b>11,6</b>             | <b>19,0</b>             | <b>22,4</b>  | -48%         |

(1) The figure at March 2007 is reported net of the DGAG properties sold at cost through the disposal of shares to the joint ventures with RREEF and MSREF for € 507.6 million.

(2) EBIT including net income from investments expresses the trend in the Group's earnings and is calculated as EBIT (€24.5 million including restructuring costs at March 31st, 2008) plus the share of results of companies carried at equity (-€0.9 million at March 31st, 2008), dividends and income from real estate funds (€ 0.1 million at March 31st, 2008), classified in "financial income" and "change in fair value of financial assets" respectively in the consolidated income statement accompanying the explanatory notes to the interim financial report, and other income from third parties (€1.3 million) classified in "financial income" in the consolidated income statement accompanying the explanatory notes to the interim financial report.

**Reclassified balance sheet**

| (Euro/million)  | 03.31.2008 | 12.31.2007 | 03.31.2007 | 03.31.2007 - after<br>deconsolidating DGAG - |
|---|------------|------------|------------|--|
| <b>Fixed assets</b>   | 876,1      | 886,1      | 598,5      | 623  |
| of which investments in real estate investments funds and companies (1) | 589,0      | 601,3      | 347,5      | 361  |
| <b>Net working capital</b>  | 205,8      | 190,5      | 1.182,8    | 267  |
| <b>Net invested capital</b>   | 1.081,9    | 1.076,6    | 1.781,3    | 890  |
| <b>Net equity</b>   | 717,6      | 720,1      | 725,1      | 725  |
| of which group net equity   | 712,0      | 715,7      | 715,5      | 715  |
| <b>Provisions</b>   | 64,0       | 66,8       | 89,3       | 89   |
| <b>Net financial position</b>   | 300,3      | 289,7      | 966,9      | 76   |
| <b>Total covering net invested capital</b>                              | 1.081,9    | 1.076,6    | 1.781,3    | 890  |

(1) This includes investments in associates, joint ventures and other investments (€460.4 million), real estate funds (€96.6 million reported as "other financial assets" in the consolidated balance sheet) and junior notes (€32.0 million reported as "other receivables" in the consolidated balance sheet).  
The amount of €1.1 million relating to "other investments" has been reclassified in the March 2007 figures for the sake of consistent comparison with 2008.

**Reclassified cash flow statement**

(Euro/million)

|   | <b>MARCH 2008</b> | <b>MARCH 2007</b> | <b>MARCH 2007<br/>-after deconsolidating<br/>DGAG -</b> |
|---|-------------------|-------------------|---|
| <b>EBIT including net income from investments</b>                           | <b>25,0</b>       | <b>47,3</b>       | <b>47</b>   |
| Amortization and depreciation   | 2,7               | 2,4               | 2   |
| Change in non-current financial assets                                      | (1,3)             | 79,7              | 65  |
| Change in other non-current assets  | (5,0)             | (98,9)            | (111)   |
| Change in net working capital/other   | (16,4)            | (900,6)           | 17  |
| Change in provisions  | (2,3)             | 26,9              | 27  |
| <b>Free cash flow</b>   | <b>2,7</b>        | <b>(843,2)</b>    | <b>48</b>   |
| Financial and tax costs/income  | (13,3)            | (21,3)            | (21)  |
| <b>Cash flow before dividends</b>   | <b>(10,6)</b>     | <b>(864,6)</b>    | <b>26</b>   |
| Dividends paid by the parent company  | 0,0               | 0,0               | 0   |
| Dividends paid (change in minority interests in share capital and reserves) | 0,0               | 0,0               | 0   |
| <b>Net cash flow from core activities</b>                                   | <b>(10,6)</b>     | <b>(864,6)</b>    | <b>26</b>   |
| Increase in share capital   | 0,0               | 0,0               | 0   |
| Purchase/sale of treasury shares  | 0,0               | (5,9)             | (6)   |
| <b>Total cash flow</b>  | <b>(10,6)</b>     | <b>(870,5)</b>    | <b>20</b>   |

**COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS**  
**Table 1 of format 7 in Appendix 3A to Regulation 11971/1999**

| Name or category (1)                 | Office held (specified only for persons named individually)              | TABLE 2  |  |   |  |                  |   |                    |
|--------------------------------------|--|--|--|---|--|------------------|---|--------------------|
|                                      |  | Option grants  |  |   |  |                  |   |                    |
|                                      |  | <b>Section 2</b><br>New options granted on basis of decision by body responsible for implementing shareholder resolution (9) |  |   |  |                  |   |                    |
|                                      |  | Date of shareholder resolution   | Instrument description (13)  | Number of financial instruments underlying options granted to each individual or category | Date granted by competent body (Board of Directors) (11) | Strike price (*) | Market price of financial instruments on grant date (*) | Option expiry date |
| <b>Members of Board of Directors</b> |  |  |  |   |  |                  |   |                    |
| (2) Puri Negri Carlo Alessandro      | Deputy Chairman and CEO of Pirelli RE                                    | 04/14/2008   | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 300,000   | 05/08/2008 (BoD)   | N.A.             | N.A.  | 12/31/11           |
| (2) de Poulpiquet Olivier            | Director and General Manager Investment & Asset Management of Pirelli RE | 04/14/2008   | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 200,000   | 05/08/2008 (BoD)   | N.A.             | N.A.  | 12/31/11           |
| (2) Biffi Emilio                     | Director and Chief Technical Officer of Pirelli RE                       | 04/14/2008   | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 30,000  | 05/08/2008 (BoD)   | N.A.             | N.A.  | 12/31/11           |
| (2) Bottelli Paolo                   | Director and Deputy General Manager Services of Pirelli RE               | 04/14/2008   | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 140,000   | 05/08/2008 (BoD)   | N.A.             | N.A.  | 12/31/11           |
| (2) Wolfgang Weinschrod              | Director of Pirelli RE   | 04/14/2008   | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 15,000  | 05/08/2008 (BoD)   | N.A.             | N.A.  | 12/31/11           |

| <b>Members of Subsidiary Company Board of Directors (the office held refers to just one company, generally the most important)</b> |   |            |  |        |                  |      |      |          |
|--|---|------------|--|--------|------------------|------|------|----------|
| (2) Cattaneo Angelo  | Director of Servizi Amministrativi Real Estate S.p.A.                 | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 3,500  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Danielewicz Ryszard  | Chairman of Board of Directors of Pirelli Pekao Real Estate Sp. zo z. | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 8,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Matteoli Andrea  | CEO of Pirelli & C. Real Estate Integrated Facility Management S.p.A. | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 12,000 | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Musacchio Antonio  | Director of S.AN.GE S.c.a.r.l.  | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 4,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Nicosia Roberto  | Director of Pirelli & C. Real Estate Agency S.p.A                     | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 4,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Caruso Giuseppe  | Director of Pirelli & C. Real Estate Agency S.p.A                     | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 4,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Allegretta Francesco   | Director of Pirelli & C. Real Estate Agency S.p.A                     | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 4,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (2) Montuschi Stefano  | Director of Pirelli RE Credit Servicing S.p.A.                        | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 8,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |

| <b>Persons with management functions under art. 152-sexies, para. 1 c)-c.2 of the Issuer Regulations</b> |   |            |  |         |                  |      |      |          |
|--|---|------------|--|---------|------------------|------|------|----------|
| (3) Signori Enrico   | Co-General Manager Investment & Asset Management (for Residential Sector) of Pirelli RE | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 140,000 | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (3) Benuzzi Gerardo  | Chief Financial & Human Resources Officer of Pirelli RE                                 | 04/14/2008 | Call Option with physical settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 65,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |

| <b>Key Managers under art. 152-sexies, para. 1 c)-c.2 of the Issuer Regulations (**)</b> |                        |            |                           |         |                  |      |      |          |
|--|------------------------|------------|---------------------------|---------|------------------|------|------|----------|
| (5) Petrosino  | Deputy General Manager | 04/14/2008 | Call Option with physical | 140.000 | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |

|                              |  |            |   |         |                  |      |      |          |
|------------------------------|--|------------|---|---------|------------------|------|------|----------|
| Rodolfo                      | Investment & Asset Management<br>- Office    |            | settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11                              |         |                  |      |      |          |
| (5) Delmonte<br>Paola        | Deputy General Manager<br>Advisory           | 04/14/2008 | Call Option with physical<br>settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 48,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (5) Bordoni<br>Mauro         | Deputy General Manager<br>Planning & Finance | 04/14/2008 | Call Option with physical<br>settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 45,000  | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| (5) Key<br>Managers<br>(= 7) | -  | 04/14/2008 | Call Option with physical<br>settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 122,000 | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |
| <b>Senior Managers</b>       |  |            |   |         |                  |      |      |          |
| (7) Senior<br>Managers (=37) | -  | 04/14/2008 | Call Option with physical<br>settlement in Pirelli RE shares:<br>Tranche I : 05/01/10 – 12/31/10<br>Tranche II: 05/01/11 – 12/31/11 | 226,000 | 05/08/2008 (BoD) | N.A. | N.A. | 12/31/11 |

(\*) This information is indicated as N.A.(not available) because it requires knowing the official price of Pirelli RE shares on May 8th, which is not available at the time of publishing the press release to which this table is appended. The table will be updated with this information and will be published on May 9th, 2008, as an appendix to an Information Circular under art. 84-bis of the revised Issuer Regulations.

(\*\*) As integration of law requirements, are indicated also the names of the executives in charge as Deputy General Manager.