



PRESS RELEASE

Milan, 17 April 2009 – The Board of Directors of Pirelli Real Estate, in its meeting of last 8 April, took note of the resignation of Carlo Puri Negri from his role as a director of the Company, and consequently from his position as Executive Vice President, in advance of the natural expiration of his Board mandate, set for April 2011, at the time of approval of 2010 financial statements.

Coherently with the existing legal framework and best practices, the Remuneration Committee, entirely made up of independent directors, reviewed the treatment of Carlo Puri Negri prior to the Board resolution, and judged it to be adequate.

The Board of Directors approved the following terms and conditions:

- a total gross amount of 9,400,000 euros, as indemnity for anticipated expiration of the director's mandate, with consequent waiver of any expectations, demands or actions of any title vis a vis the Company;
- a non competition agreement for one year, and a non "solicitation" agreement regarding employees of the Group for two years, in return for recognition of a total gross amount of 3,000,000 euros, to be paid over the course of 2009 and 2010.

Carlo Puri Negri also signed a consulting agreement with the Company for two years regarding the real estate sector, for a gross annual fee of 800,000 euros.

The Remuneration Committee, first, and then the Board of Directors, were then able to base their evaluations and determinations on advice and opinions given by experts in the field of remuneration of top management, namely Hay Group, and legal consultants of primary standing in the field, namely professionals from the law firm Studio Legale Trifirò & Partners.

The Company emphasizes that Carlo Puri Negri, in various roles and positions, carried out his activity in the real estate industry in the Pirelli Group starting in 1989. It underlines in addition that Carlo Puri Negri, beneficiary over the years of stock option plans based on roles and responsibilities held within Pirelli RE and linked to results obtained by the Company, exercised option rights pertaining to him but maintained up to the end his ownership of shares he subscribed following the listing, sharing the related risks and opportunities together with all the other shareholders.

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