



PRESS RELEASE

PIRELLI RE: UPDATED MARKET VALUE OF ASSETS UNDER MANAGEMENT €17.0 BN

Real estate NAV €0.8 bn

Milan, May 11th, 2009 – In view of the forthcoming capital increase and in order to ensure that shareholders have complete information, Pirelli RE has requested its independent experts, as announced on April 20th, to **update their valuations of the real estate portfolio managed** at March 31st, 2009. Market values report a **like-for-like variation of -0.5% since the end of December 2008**.

These **new valuations have an impact** of around -€6.6 million on book value for Pirelli RE, **in line with the guidance already given**.

The **market value of assets under management of €17.0 billion¹** (€17.3 billion at December 31st, 2008), comprises €15.2 billion in real estate (€15.4 billion at December 31st, 2008) and €1.8 billion in Non Performing Loans (€1.9 billion at December 31st, 2008): **the difference in values since December 31st, 2008 is mostly attributable to the sale of property and collection of NPLs in the period**.

The **Pirelli RE share of real estate NAV²** is approximately €800 million, staying generally in line with the **value at December 31st, 2008**.

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

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¹ Market values at March 31st, 2009 based on the appraisals by independent experts, except for NPLs which are stated at book value.

² Consists of the difference between the Pirelli RE share of the participated assets' market value, as estimated by independent experts, and its share of the related net financial position.