



PRESS RELEASE

PIRELLI RE: 5% OF PIRELLI RE SGR SOLD TO INTESA SANPAOLO

**INTESA SANPAOLO WILL INCREASE ITS HOLDING IN THE FUND MANAGER TO 10%
BY THE END OF 2009, AFTER RECEIVING THE REQUIRED CLEARANCE**

**THE PARTNERSHIP WITH INTESA SANPAOLO STRENGTHENS THE COMPANY'S
ASSET MANAGEMENT GROWTH STRATEGY, IN KEEPING WITH THE GOAL OF
BOOSTING RECURRING PROFITS FROM SERVICES**

Milan, September 30th, 2009 - Pirelli RE announces that today it has sold Intesa Sanpaolo 5% of its subsidiary Pirelli & C. Real Estate Società di Gestione del Risparmio S.p.A., Italy's leading real estate fund manager, for €10 million.

The agreement allows Intesa Sanpaolo to buy another 5% of Pirelli RE SGR by the end of 2009 once the required clearance has been obtained from the competent authorities.

The purpose of admitting an institutional partner like Intesa Sanpaolo as a shareholder is to increase the SGR's assets and so develop its fund management activities, both of which are key elements of the development strategy contained in the 2009-2011 Business Plan, with the goal of boosting recurring profits from real estate management activities.

Pirelli RE SGR will augment its business through internal growth, thanks to the projected development of real estate funds in Italy and the launch of new products specially for institutional investors (social security institutions, pension funds and the public administration).

Pirelli RE SGR will also be able to take up external growth opportunities resulting from sector consolidation by merging with other fund managers that operate on the Italian real estate market. Potential new partnerships would produce economies through growth in the volumes managed, reduction in operating costs and expansion of the real estate fund distribution channels.

Pirelli RE SGR is Italy's leading manager of real estate funds, with some €5.7 billion in assets under management¹ in 18 real estate investment funds (of which 5 are ordinary reserved funds, 2 ordinary funds listed on the Milan Stock Exchange and 11 speculative funds).

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¹ Market value at June 30th, 2009, based on estimates by independent experts.