



## **PRESS RELEASE**

### **PIRELLI RE: NO NEGOTIATIONS FOR ENTRY OF NEW SHAREHOLDERS**

*Milan, 17 April 2010* - Regarding rumors which appeared today in the press about the possible entry of new shareholders into the Company's ownership structure, Pirelli RE communicates that no negotiations are underway and that therefore no timing or means of carrying out any future transactions have been established.

The numerous manifestations of interest received up to now by the Company by various interested parties to evaluate forms of partnership or aggregation are evidence of the solidity of Pirelli RE and the validity of the business model that has been adopted. They will be considered in time, if considered strategically interesting for the growth of the Company.

In particular, with reference to a supposed "deconsolidation of debt of Pirelli RE, amounting to 11.5 billion euros", on managed assets of 16 billion euros, the Company points out that its net debt amounts to approximately 450 million euros. The 11 billion euro figure represents the total bank debt of vehicles in which Pirelli RE has only minority stakes, of 26% on average, together with primary Italian and international investors. Given those stakes, the pro-quota debt that can be attributed to Pirelli RE is equal to just under 3 billion euros, in no way consolidated by the Company, and is non recourse debt.

As of today, Pirelli RE has real estate NAV (net asset value, calculated as the balance between pro quota market value of real estate assets it has stakes in, and net bank debt, pro quota, of vehicles and funds invested in), of 1.2 billion euros, net invested capital of about 100 million euros in the NPL business (non performing loans) and 200 million euros in the services platform, while net debt, as mentioned above, amounts to approximately 450 million euros.

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