



PRESS RELEASE

PIRELLI & C. ACQUIRES 2% OF PIRELLI RE FOR 34.4 MILLION EUROS

The transaction constitutes an opportunity for value creation and a further investment in core businesses

Milan, 27 July 2007 - Pirelli & C. SpA communicates that it has acquired 859,741 shares in Pirelli RE, equal to approximately 2% of the company's capital, from a primary institutional investor, for an amount of approximately 34.4 million euros, bringing its total stake to 52.3%.

The transaction, in a market phase in which stock exchange performance of companies in the real estate sector is lower than analysts' valuations, constitutes an opportunity for value creation and a further investment in one of the core businesses of the Group.

Pirelli Press Office: +39 02 85354270 – pressoffice@pirelli.com

Pirelli Investor Relations: +39 02 64422949 – ir@pirelli.com

www.pirelli.com