

## Performance by division in 2008

During the course of 2008, Pirelli RE adopted a **new structure according to geographical area**.

### ITALY

Real estate **sales** in 2008 are Euros 570.5 million compared to Euros 1,730.4 million in the prior year. In Italy, the sales margin is 18 percent (in 2007, it was 22 percent). Total **rents** amount to Euros 336.9 million (Euros 371.9 million in 2007).

**Operating profit (loss) (EBIT) including earnings (losses) from investments before restructuring expenses and property writedowns/revaluations** in 2008 is a loss of Euros 19.2 million compared to a profit of Euros 77.9 million in 2007. The reduction of Euros 97.1 million is attributable to a reduction of Euros 75 million in earnings from capital activities and a decrease of Euros 22.1 million in earnings from management activities, especially reflecting the sharp decline in the agency business.

### GERMANY

Real estate **sales** in 2008 are Euros 184.5 million compared to Euros 43.4 million in the prior year. In Germany, the sales margin is 16 percent (in 2007, it was 13 percent). Total **rents** amount to Euros 331.9 million (Euros 163 million in 2007).

**Operating profit (loss) (EBIT) including earnings (losses) from investments before restructuring expenses and property writedowns/revaluations** in 2008 is a loss of Euros 35.3 million compared to a profit of Euros 5.6 million in 2007. The change during the year is -Euros 40.9 million and is composed of -Euros 26.2 million from management activities (which last year, among others, included Euros 11.2 million of gains from the sale of investments) and -Euros 14.7 million from capital activities.

### POLAND

Real estate **sales** in 2008 are Euros 109.9 million compared to Euros 31.1 million in the prior year. In Poland, the sales margin is 31 percent (in 2007, it was 33 percent).

**Operating profit (loss) (EBIT) including earnings (losses) from investments before restructuring expenses and property writedowns/revaluations** in 2008 is a profit of Euros 18.2 million compared to a profit of Euros 6.8 million in 2007. The increase during the year totaling Euros 11.4 million includes a negative change of Euros 1 million (in addition to Euros 2 million of costs relating to Romania and Bulgaria which have now ceased operations) from management activities and a positive change of Euros 14.4 million from capital activities. The improvement is due to the sale of part of the real estate portfolio in Warsaw.