PRESS RELEASE

SHAREHOLDERS’ MEETING:

• 2008 FINANCIAL STATEMENTS APPROVED
• CAPITAL INCREASE OF 400 MLN/€ APPROVED

Milan, 17 April 2008 – Shareholders’ meetings of Pirelli & C. Real Estate were held today in ordinary and extraordinary sessions.

In the ordinary session, the Shareholders’ meeting approved the financial statements for fiscal year 2008, which closed with a net loss of 99.9 million euros. The Shareholders’ meeting resolved to carry forward the full amount of the net loss. The net consolidated result amounted to -195 million euros.

The Shareholders’ meeting also proceeded with the appointment of Valter Lazzari, confirming him as an independent director following his cooptation to the role by the Board of Directors in its meeting of 5 March 2009.

The Shareholders’ meeting also resolved to authorize, up to the date of approval of the 2009 financial statements, a buyback of treasury shares within the maximum limit allowed by law of 10% of the share capital, establishing the related procedures. Attached to this press release are details of the results of the buyback program previously authorized.

In the extraordinary session, the Shareholders’ meeting approved a capital increase of 400 million euros in order to strengthen the equity structure of Pirelli RE and support the new business model, in the context of the actions and targets outlined in the 2009-2011 three-year plan. The extraordinary session of the meeting gave a mandate to the Board of Directors to set the issue price for the new shares, and the other conditions for the capital increase.

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Following is a summary of information on the results of the buyback program for treasury shares communicated to the market on 14 April 2008:

- on 14 April 2008, the Company held 1,299,522 treasury shares and, in the period from 14 April 2008 to 16 April 2009, the Company did not purchase or sell treasury shares;
- in the month of May 2008, 109,860 treasury shares were granted to directors and employees of the Pirelli RE Group, in execution of the 2008 Stock Grant Plan;
- as of today, the Company holds 1,189,662 treasury shares, equal to about 2.793% of the share capital.

As for the buyback program for treasury shares relating to the authorization passed by the Shareholders’ meeting today, Pirelli RE will communicate to the market in a timely way regarding the terms, if and when it is decided to make use of it.