



PRESS RELEASE

GENERAL MEETING OF SHAREHOLDERS HELD

- **2004 FINANCIAL STATEMENTS AND PAYMENT OF DIVIDEND OF €1.70 PER SHARE APPROVED**

- **NEW BOARD OF DIRECTORS ELECTED:
NUMBER OF DIRECTORS RISES FROM 14 TO 15,
WITH 6 INDEPENDENTS (5 IN PREVIOUS BOARD)**

BOARD OF DIRECTORS MEETS

- **MARCO TRONCHETTI CONFIRMED AS CHAIRMAN AND
CARLO PURI NEGRI AS DEPUTY CHAIRMAN AND CEO**

Milan, 27 April 2005 – A General Meeting of the shareholders of Pirelli & C. Real Estate was held today.

The Meeting approved the financial statements for 2004 and payment of a **dividend** of **€1.70** per share. The dividend will be paid on 12 May 2005, whilst the ex dividend date is 9 May 2005.

The Meeting also established that the entire **Board of Directors** is to remain in office for three years (therefore until approval of the financial statements for 2007) and fixed the number of Directors at **15**, compared with the 14 members of the previous Board, all of whom have been re-elected.

The following Directors have been re-elected: Marco Tronchetti Provera, Carlo Alessandro Puri Negri, Reginald Bartholomew, Carlo Bianco, Emilio Biffi, Carlo Buora, William Dale Crist, Olivier Yves de Poulpiquet de Brescanvel, Roberto Haggiag, Sergio Lamacchia, Giovanni Nassi, Claudio Recchi, Vincenzo Sozzani, Dario Trevisan and, for the first time, Paola Lucarelli. The Directors, Reginald Bartholomew, William Dale Crist, Roberto Haggiag, Paola Lucarelli, Claudio Recchi and Dario Trevisan meet the requirements for independent directors established by the Corporate Governance Code for Listed Companies. The **Independent Directors** now number **6 out of a total of 15** Board members.

The Meeting then appointed **PricewaterhouseCoopers** to **audit** the Company's financial statements, its consolidated financial statements and its half-year reports **for the three-year period 2005-2007**.

Finally, the Meeting passed a resolution authorising, for a period of 18 months, the **purchase of the Company's own shares** up to the legally required limit of 10% of the share capital, establishing the related regulations and revoking the previous resolution passed by the General Meeting of 10 May 2004, which has not been implemented.

During the Meeting, it was confirmed that, in view of the adoption of international financial reporting standards (IAS/IFRS) as of the 2005 financial year, Pirelli RE and other Group companies are completing the transition process that will result in preparation of the report for the first quarter of 2005 in accordance with the new standards.

The impact on Pirelli RE's financial statements will be announced to the market and commented on at the time of approval of the quarterly report for the three months ended 31 March 2005.

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At the end of the General Meeting of shareholders, a Board of Directors' meeting was held. The Board proceeded to elect Marco Tronchetti Provera as Chairman, Carlo Alessandro Puri Negri as Deputy Chairman and CEO, Giovanni Nassi as Deputy Chairman, Carlo Bianco as Managing Director of Asset Management Residential and Trading and Emilio Biffi as Managing Director Asset Management Land Development, attributing the powers necessary in order to carry out the Company's business.

The Board also elected the **Executive Investment Committee**, whose members are Marco Tronchetti Provera, Carlo Alessandro Puri Negri, Carlo Buora, Claudio Recchi and Vincenzo Sozzani. In compliance with the Corporate Governance Code for Listed Companies, the Board elected the **Internal Audit and Corporate Governance Committee**, whose members are William Dale Crist, Roberto Haggiag and Dario Trevisan (all Independent Directors) and the **Remuneration Committee**, consisting of Reginald Bartholomew, Claudio Recchi and Sergio Lamacchia (two Independent Directors and one Non-Executive Director).

Finally, in line with the Organisational Model adopted by the Company in compliance with Legislative Decree 231, the Board of Directors elected the **Supervisory Board**, whose members are the Independent Director, Dario Trevisan, the Chairman of the Board of Statutory Auditors, Roberto Bracchetti, and a member of the Audit Department of Pirelli & C. S.p.A., Massimo Cunico.

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