



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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RESULTS OF BUYBACK PROGRAM FOR TREASURY SHARES AS PER PREVIOUS RESOLUTION

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.