



PRESS RELEASE

PIRELLI RE: SHAREHOLDERS' MEETING

- 2009 FINANCIAL STATEMENTS APPROVED
- NEW BOARD OF STATUTORY AUDITORS APPOINTED
- NEW INCENTIVE PLAN APPROVED

Milan, 19 April 2010 – A Shareholders' meeting of Pirelli & C. Real Estate met today in ordinary and extraordinary sessions.

In the ordinary session, the Shareholders approved the 2009 financial statements, which closed with a loss of approximately 95.2 million euros (99.9 million euros in 2008). The Shareholders' meeting resolved to bring forward the full fiscal year loss. The attributable net loss at consolidated level amounted to 104.3 million euros, nearly halved with respect to the previous year (195 million euros).

The Shareholders' meeting voted to reduce the number of directors from 15 to 13, following the resignations in March 2010 of Board members David Brush (independent director) and Olivier Yves de Poulpiquet (executive director), who will therefore not be replaced. The decision was made taking into account the fact that the relationship between independent directors, non-executive directors and executive directors remains congruous.

The Shareholders' meeting, in addition, confirmed Giulio Malfatto in his role as director, following his cooptation by the Board of Directors on 8 April 2009, which expired with the current Shareholders' meeting. Giulio Malfatto will remain in office together with the other directors until the Shareholders' meeting called to approve financial statements as of 31 December 2010.

The Board of Directors, which met at the close of the Shareholders' meeting, then confirmed Giulio Malfatto in the role of Chief Executive Officer, already previously held.

The Shareholders' meeting also appointed the new Board of Statutory Auditors of the Company, which will remain in office for the 2010, 2011, and 2012 fiscal years, composed as follows: Enrico Laghi (Chairman), Lelio Fornabaio and Roberto Bracchetti as standing auditors and Franco Ghiringhelli and Paola Giudici as alternate auditors. The members of the new Board of Statutory Auditors were all on the only list presented by the controlling shareholder, Pirelli & C. S.p.A.. Their compensation was set at 37,000 euros for the standing statutory auditors and 55,500 euros for the Chairman of the Board of Statutory Auditors. The CVs of the new auditors are available on the company's website (www.pirellire.com).

The Shareholders' meeting also voted to renew, until the Shareholders' meeting approving the financial statements as of 31 December 2010, the authorization for purchase and disposition of Treasury shares within the limit of 10% of the corporate capital, confirming the means established by the previous resolution taken by the Shareholders' meeting on 17 April 2009, with reference to which no purchase program has been prepared or carried out.

With regard to the new resolution for authorization, Pirelli RE will communicate in a timely way to the market the relating ends and means, should it be decided to utilize the authorization.

The ordinary Shareholders' meeting, finally, approved a new long term incentive plan, as resolved upon by the Board of Directors of last 9 March, closely linked to reaching three-year plan guidelines and to medium-long term growth of the company and value creation. Details of the plan have been published, pursuant to the law, with the Information Document as per article 84-bis of the Issuers Regulations, available at the company's offices and at Borsa Italiana S.p.A., as well as on the website www.pirellire.com.

In its extraordinary session, the Shareholders' meeting resolved to modify the following articles of the By-laws: article 7, to reintroduce the possibility to call shareholders' meetings for approval of financial statements within 180 days of the close of the fiscal year, rather than the current 120 days, adjusting to new norms; article 22, to further reduce to 1.5% the threshold required for presentation of lists for appointment of the Board of Statutory Auditors, in the view to having corporate governance that is more and more attentive to the needs of investors and in particular minorities.

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The annual financial report of Pirelli & C. Real Estate as of 31 December 2009, approved by the Shareholders' meeting and including the balance sheet, the consolidated financial statements, the report on operations, and the attestation as per article 154-bis, paragraph 5, of the Law Decree of 24 February 1998 and later amendments, as well as the reports of the Board of Statutory Auditors and the external auditors, is available to the public at the Milan headquarters of the company at 25 Viale Piero e Alberto Pirelli, as well as at Borsa Italiana S.p.A.. The same documentation is available on the website www.pirellire.com. Further documentation as per article 77 of the Regulations approved by Consob resolution no. 11971 and later amendments is available to the public at the company's headquarters. The minutes of the Shareholders' meeting will be made available to the public within the deadline set by law.

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