



PRESS RELEASE

General Shareholders' Meeting

- **2003 FINANCIAL STATEMENTS APPROVED AND RESOLUTION PASSED FOR THE DISTRIBUTION OF A DIVIDEND OF 1.41 EURO PER SHARE**
- **NEW 14-MEMBERS BOARD OF DIRECTORS APPOINTED FOR A YEAR, WITH 5 INDEPENDENT DIRECTORS**
 - **EXTRAORDINARY MEETING APPROVES NEW COMPANY STATUTE: LIST VOTE INTRODUCED, TO BE USED AS OF NEXT BALANCE SHEET MEETING**

Meeting of Board of Directors

- **MARCO TRONCHETTI PROVERA CONFIRMED AS PRESIDENT AND CARLO PURI NEGRI CONFIRMED AS VICE-PRESIDENT AND MANAGING DIRECTOR**
- **APPOINTED COMMITTEES FOR REMUNERATION AND INTERNAL CONTROL AND CORPORATE GOVERNANCE**

Milan, May 10th, 2004 - The Ordinary and Extraordinary Meetings of Shareholders of Pirelli & C. Real Estate met today.

The Ordinary Meeting approved the Company's Financial Statements as at December 31st, 2003 and passed a resolution for the distribution to shareholders of a **dividend** of **1.41 Euro** per share. The **ex-coupon** date is **May 17th** and the dividend will be **paid** as of **May 20th, 2004**.

In addition the meeting also established the duration of the entire **Board of Directors** for one year (and therefore until approval of the Financial statements as at December 31st, 2004). **14 members** appointed and the following appointed as Directors: Messrs. Marco Tronchetti Provera, Carlo Alessandro Puri Negri, Reginald Bartholomew, Carlo Bianco, Emilio Biffi, Carlo Buora, William Dale Crist, Roberto Haggiag, Olivier Yves de Poulpiquet de Brescanvel, Sergio Lamacchia, Giovanni Nassi, Claudio Recchi, Vincenzo Sozzani and Dario Trevisan. The Directors Reginald Bartholomew, William

Dale Crist, Roberto Haggiag, Claudio Recchi and Dario Trevisan meet the requirements set down by the Self-regulatory Code for Listed Companies and needed to be defined as independent. There are therefore **5 independent Directors out of a total of 14** members of the Board. It is worth recalling that Emilio Biffi and Olivier Yves de Poulpiquet de Brescanvel are also, respectively, General Manager for Asset Management Land and Development sector and General Manager for Asset Management Commercial and Non-Performing Loans sector.

The Shareholders' Meeting subsequently appointed the Board of Auditors for 2004, 2005 and 2006, nominating as Statutory Auditors Messrs. Roberto Bracchetti, President, Paolo Carrara and Gianfranco Polerani, and as Acting Auditors Messrs. Franco Ghiringhelli and Paola Giudici.

The Shareholders' Meeting also passed a resolution authorising, for a period of 18 months, **the acquisition of its own shares**, up to a maximum legal value of 10% of the company's share capital, subject to revocation of the resolution passed by the Shareholders' Meeting of May 6th, 2003, insofar as the latter was not implemented.

Lastly, the Shareholders' Meeting passed a resolution for the adoption of a **Shareholders Meeting Regulatory Code**, to ensure the proper and functional execution of the meetings and to grant each shareholder the right of intervene on the items in agenda.

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The Extraordinary Shareholders' Meeting approved the **amendment of various articles of the company statute** so as to ensure compliance of the statute with the new norms introduced by the company law reform Act (the so-called Vietti Reform). The amendments included approval by the Meeting of the proposals put forward by the Board of Directors to: assign to the same the right to increase the company's share capital by a maximum nominal amount of 15 million Euro; to issue convertible bonds for a maximum nominal amount of 15 million Euro; to introduce, as a statutory provision, the system of **appointment to the Board of Directors by list vote**, so as to ensure the presence of directors who directly represent the interests of minority shareholders. So as to be able to implement this electoral criterion as of the next financial statements meeting, the duration of the newly appointed Board of Directors was deliberately set at a single year. The statutory solution adopted allocates the right to present the list to the shareholders, who, singly or jointly, shall account for at least 2% of the share capital and who are entitled to vote at the ordinary meeting.

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At the end of the Shareholders' Meeting the Board of Directors met and passed a resolution for the following appointments: Marco Tronchetti Provera as President; Carlo Alessandro Puri Negri as Vice President and Managing Director; Giovanni Nassi as Vice President; Carlo Bianco as Managing Director of the Residential Asset

Management sector and Emilio Biffi as Managing Director of the Asset Management Areas and Development sector, assigning the corresponding executive powers of for the management of the company's affairs.

The Board of Directors, in compliance with the Self-regulatory Code for Listed Companies, constituted the **Remuneration Committee** appointing as members the Directors Reginald Bartholomew, Sergio Lamacchia and Claudio Recchi (two independent directors and one non-executive director) and the **Internal Control Committee**, appointing as members the Directors William Dale Crist, Roberto Haggiag and Dario Trevisan (all independent directors).

The Board of Directors also appointed, in the light of the 231 Organisational Model adopted by the Company, the Supervisory Inspectorate made up of the President of the Board of Auditors, Roberto Bracchetti, the independent director, Dario Trevisan and by a member of the Auditing Department of Pirelli & C. S.p.A., Nicholas Marchi.

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