

## Insider Dealing – Black out Periods

During the meeting of 12 March 2007, Pirelli & C. S.p.A. Board of Directors approved a new *insider dealing* procedure which aims to establish in a self-regulatory way – above and beyond governing laws and regulations – obligations for abstaining, in certain periods of the year (*so-called black-out periods*), from carrying out transactions on financial instruments of the Company, applying to directors, statutory auditors, and managers of Pirelli & C. S.p.A. or its main subsidiaries with strategic responsibility.

In particular, The Board of Directors decided that the relevant persons or persons closely associated with the relevant persons, according to the rules of *insider dealing* of Consob Regulations 11971/1999 (articles 152- sexies, comma 1, letters c.1 and c.3) and its subsequent modifications<sup>1</sup>, as well as those identified – even in a self-regulatory way – by the Board itself, will abstain from carrying out transactions on financial instruments (as defined below) from the day after the closing of every fiscal period to the first release of the economic and financial results of the period (definitive or preliminary).

The Board of Directors has also decided to determine, in extraordinary way, further *black out periods*.

For Financial Instruments are meant:

- (i) Financial instruments listed in the Italian and foreign regulated stock exchange market, issued by Pirelli & C. and its controlled companies, excluding non-convertible bonds
- (ii) Financial instruments, even unlisted, attributing the right to subscribe, purchase or sell the instruments at point (i), as well as the certificates representing the instruments at point (i)
- (iii) Derivatives financial instruments, including *covered warrants*, having as related activity the financial instruments at point (i), including the exercises made through the payment of a cash difference. For financial instruments at point (i) are also meant the amounts of real estate funds listed promoted and managed by companies of Pirelli & C. RE S.p.A.

<sup>1</sup> The regulations mentioned identify as relevant persons:

- C.1) The members of administration and control departments of a listed company
- C.2) The directors of a listed company and the managers who regularly access to privileged information and have the power to adopt decisions which may impact on the future developments and evolution of the listed company
- C.3) The members of administration and control departments, the directors of a listed company and the managers who regularly access to privileged information and have the power to adopt decisions which may impact on the future developments and evolution of the listed company, directly or indirectly, by a listed company, if the book value of the stake in the above mentioned controlled company represent more than 50% of the equity asset of the listed company, as resulting from the last approved Annual Report.