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Minutes of Extraordinary Meeting of Listed Company

ITALIAN REPUBLIC

July, the Year 2010 (two thousands and ten) in Milan, in the house building located in Via Piero e Alberto Pirelli No. 25;

Carlo Marchetti, notary public in Milan, as registered professional at Milan's College of Notaries of Milan, and next to me, Marco Tronchetti Provera in person, born in Milan on January 18, 1948, domiciled for this official duty in Milan, Viale Piero e Alberto Pirelli No. 25, whose identity I surely acknowledge, acting as Chairman of the Board and as such, in the interest of the company listed:

"Pirelli & C. Società per Azioni"

or, in abbreviated form, "Pirelli & C SpA, based in Milan, Viale Piero e Alberto Pirelli No. 25, share capital of Euro 1,556,692,865.28, registration number of the Register of Companies of Milan and Tax Code: 00860340157 (or the "Company"),

I am asked to certify that the Company has convened in an Extraordinary General Meeting taking place in Milan, viale Sarca 214, on

July 15, 2010

Following a timely submitted notice mentioned below, with the purpose of discussing and to deliberate about the agenda also reproduced below.

By accepting the above request, I hereby produce the following minutes as guidance of how the meeting developed, as reported below:

Dr. Tronchetti Provera is acting as Chairman of the Assembly under Article 9 of the Bylaws and, before that (at 10.03 AM) he instructs me, as notary public, to proceed in drafting the meeting's report while acknowledging and taking notes on the following:

- The extraordinary meeting is called to discuss and vote on the following:

MEETING'S AGENDA

1. Elimination of the nominal value of ordinary shares and savings and consequent amendment of Articles 5, 6 and 18 of the Bylaws, inherent and consequent resolutions;

2. Grouping of ordinary and savings shares in the ratio of 1 new share for every n. 11 ordinary shares and no 1 new savings share all n. 11 savings shares owned, with the cancellation of ordinary shares and savings in the minimum number of shares necessary to allow the total "surface area" of the operation, with consequent reduction of capital consequent amendment of Articles 5, 6 and 18 of the Bylaws, making inherent and consequent resolutions;

3. Voluntary reduction of share capital by an amount equal to Euro 329,620,911.48, pursuant to Article 2445 of the Civil Code, through proportional allocation to common shareholders and saving No 487,231,561 ordinary shares of Pirelli & C. Real Estate S.p.A. owned by the Company; preparatory and consequential amendments to Article 5 of the bylaws, making inherent and consequent resolutions;

- The meeting notice was published in the Official Gazette of the Italian Republic n. 69, on June 12, 2010;

- The notice was also published in the press, again on June 12, 2010, on Il Sole 24 Ore, Milano Finanza and Finanza & Mercati newspapers;

- The Company has not received any request for topic extension of the agenda, under current law;

- The Assembly, convened on first meeting on July 14, 2010, has been declares "deserted" due to insufficient number of shares represented, as it will appear in the minutes of the book recording the Assembly works;

- Share capital is Euro 1,556,692,865.28 divided into No 5,367,906,432 shares of par value Euro 0.29 each, which n. 5,233,142,003 ordinary and No 134,764,429 savings;

- The date hereof, the Company has no 3,867,500 ordinary shares and no 4,491,769 savings shares.

The Chairman reports that shareholders participating in the Assembly for a total number of constituents are 359 in person or by proxy for n. 3,119,800,187 ordinary shares. The participants are thus carrying a total of 59.616196% of ordinary shares.

The Chairman acknowledges that the Assembly is therefore duly constituted in extraordinary session form and can therefore discuss and vote on the agenda's items.

Then, continuing, he communicates and reports that:

- The documentation for the various items on the agenda has been the subject of the obligations in conformity with the publishing rules applicable, including the Company's website, in particular, producing the dossier containing the directors reports on all agenda items that was made available to the public at the registered office and Italian Stock Exchange on June 29, 2010. Furthermore, on July 3, 2010, was made available to the general public in the same manner described above, the information document to illustrate the operation of reduction of share capital in the third item on the agenda Assembly;

- The dossier containing reports of the directors on all agenda items with their proposed resolutions was sent in recent days to Pirelli & C. S.p.A. shareholders who participated in one of the last three meetings and to those who have applied for and was distributed in the entrance hall; that file now contains the definitive text of the draft resolution under the third item on the agenda, completed with data not available at the time of approval, by the Council, of the explanatory memorandum stated once the official share price yesterday of Pirelli & C. Real Estate, equal to Euro 0.367, a copy of those reports of the Directors, including the aforementioned

final text of the proposed resolution under the third item on the agenda, this is attached below "A";

- According to the findings of the Shareholders' Register the notifications received under Article. 120 of Legislative Decree 58/1998 and from other information available, have shares with voting rights in excess of 2% of ordinary share capital:

Name / Company	No. of Shares	Share Capital (%)
1. Marco Tronchetti Provera	1,370,735,560	26.19
of which directly / indirectly owned	13,764	0.00
owned through CAMFIN S.p.A.	1,369,504,398	26.17
through Cam Partecipazioni S.p.A.	1,217,398	0.02
2. Assicurazioni Generali S.p.A.	286,685,173	5.48
of which directly owned:	113,926,593	2.18
indirectly owned through:		
Ina Assitalia S.p.A	104,949,245	2.00
Generali Vie S.A	57,400,000	1.10
Alleanza Toro Assicurazioni S.p.A	9,888,007	0.19
Intesa Vita S.p.A	482,688	0.01
Genertel Life S.p.A	38,640	0
3. EDIZIONE S.r.l.	249,756,728	4.77
4. Mediobanca S.p.A.	241,144,264	4.61
5. Allianz SE	236,456,434	4.52
of which indirectly owned through:		
Allianz S.p.A	236,391,434	4.52
Creditras SpA	65,000	0
6. Premafin Finanziaria S.p.A	234,548,202	4.48
of which indirectly owned through:		
Fondiarria S.A.I S.p.A	233,072,874	4.45
Milano Assicurazioni S.p.A	1,325,996	0.03
Popolare Vita S.p.A	149,332	0

- Number 3,867,500 ordinary shares, representing 0.07% of capital into ordinary shares, are also owned by the same company Pirelli & C. S.p.A., while no action Pirelli & C. S.p.A. held by its subsidiaries;

- The names of shareholders attending the meeting will be available in the entrance hall when printed and is then attached to the minutes.

The Chairman, again:

- Invites the shareholders to want to indicate any lack of legitimacy to the vote under current Law;
- The existence of shareholders agreements in art. 122 of Legislative Decree 58/1998, note that there is a syndicate of Pirelli & C. Block S.p.A. and notes that:
- Are party to the following shareholders (the percentage of participation on the ordinary shares issued):

Name / Company	No. of Transferred Shares	Total (%)
CAMFIN S.p.A.	1,063,360,850	20.32
MEDIOBANCA S.p.A.	241,144,264	4.61
EDIZIONE S.r.l	241,135,003	4.61
FONDIARIA - SAI S.p.A	231,355,374	4.42
ALLIANZ S.p.A.	230,749,971	4.41
ASSICURAZIONI GENERALI S.p.A. of which through:	230,749,965	4.41
Generali Vie SA	57,400,000	
Ina Assitalia S.p.A	82,779,265	
INTESA SANPAOLO S.p.A	84,519,252	1.62
Massimo Moratti of which through:	62,407,310	1.19
CMC S.p.A.	37,420,339	
Istifid S.p.A (fiduciary)	13,435,544	
SINPAR S.p.A.	33,168,521	0.63
TOTAL	2,418,590,510	46.22

- Announced that he attended the meeting, in addition to its Chairman, Councillors are: Alberto Pirelli, Alberto Bombassei, Luigi Campiglio and Giulia Maria Ligresti and other Shareholders of "Collegio Sindacale" are Enrico Laghi (Chairman), Paolo Sfameni and Paolo Gualtieri;
- Report that are also present representatives of the Company, the media, experts and financial analysts, as well as staff to the Assembly works and that is the Common Representative of the Savings Shareholders, Mr. John Pecorella (Lawyer);
- Points out that, by the entrance, written copies of the Assembly Rules are also available as well as Bylaws;
- To allow participation in the discussion of all present who wish to intervene, using the powers of Law and Settlement of Shareholders, he determines a maximum of 15 minutes per relator, inviting all present parties to respect this time slot, for the orderly and proper conduct of business and to cover the issues related to each point of discussion;
- Calls on shareholders who intend to speak, on various topics on the agenda, making the necessary time slot reservation, using the form given at the entrance, to

be handled in using the appropriate folder. When asked to intervene, speakers must go to the microphone stand, refraining from interacting to the nearby audience, in order to allow everyone to hear clearly;

- Information is stored a recording system to facilitate the task of verbalization and a simultaneous translation service is available, both from English into Italian and viceversa;
- Specifies that personal data is collected at registration, as credit to take part to the sessions and that information will be processed only to ensure the regular conduct of the Assembly as well as written recording (verbalization). All treatments of data will be made in respect of each individual's privacy;
- But the Chairman also reminds that private audio and video recordings by the shareholders are not allowed;
- Makes aware that, in order to facilitate the assembly work, the Company uses a special computer system for the operations of detecting the presence of the meeting participants and the voting process;
- All voting procedures are also visually illustrated with the help of presentation slides, that remained unchanged since the last meetings, pointing out that:
 - o Was delivered at a special electronic device called "radiovoter" in which is stored an identification code of the Shareholder and the related shares held. Together with the "radiovoter" was handed a notice that contains instructions on using this device, the vote will take place increasingly through the use of "radiovoter";
 - o Voting rules are very simple: once opened the voting procedure for each topic on the agenda, Shareholders are invited to enter the "radiovoter" key "F" to vote in favour or the button "C" to vote against it, or press "A" to express their abstention from voting at this point - before activating the button "OK" - the shareholders are still able to change your choice, simply typing the button on the new choice they intend to implement, then after checking the "display" the correctness of their choice, shareholders should press the "OK" on the "radiovoter" to express its final vote, receiving confirmation on the "display" same. Since then the vote can not be modified if not calling the location "assisted voting";
 - o Those who will not vote or their vote will confirm with the OK button will be classified as "not voting". The votes for, against and abstaining as not voting and cast will be recorded automatically and analytically shown in the Annex to the minutes of the Assembly;
 - o Holders of proxies for the Shareholders who wish to cast votes different from the action represented a total has been set up the appropriate location already shown, called "assisted voting";
- Make the call not to leave the room and not enter the same during the voting process to allow proper collection of admissions;

- Reminds us that the arrangements for using the "radiovoter" are still described in detail in the document given upon receipt and that room is still present staff will provide assistance as necessary;
- Underlines that the "radiovoter" will also be used for attendance recording every time you enter or exit from a temporary assembly hall and will then be returned to staff at the time of cessation of the Assembly or at the end thereof;
- For every point in the discussion on documentation is made available to the public (including on the Internet) and also sent to those who participated in one of the last three meetings and upon entering the hall, announced that, as usual, it will be omitted from reading.

Dealing with the first two items on the agenda, the Chairman announced that the first debate will cover both these points that are closely related, but he will proceed separating the voting for each of these points, at the end of the debate. Then, the Assembly will debate and vote on the third item on the agenda, that is the project for the separation of Pirelli & C. Real Estate S.p.A. (Pirelli RE).

The Chairman then opened the discussion on the first two agenda items.

Mr. Fabris, first asked about the new initiative of the Fondazione Pirelli, asking in particular in the near future if you plan to enrich the contents of its site. He suggested to convert all documents referring to the Company history in relation to Trade Unions in digital format to show, as good example, how Pirelli first in its industry promoted the improvement of separate labour agreements.

Then on the documentation prepared for the meeting, reported that it could not find the full text of the Statute and Regulation Meeting: Notes on the point, as it would in particular should bear the full report in the Bylaws. As for the contents of the proposal, asked when the deadline for the implementation of the capital referred to in art. 5 fourth paragraph of the Statute, which is the number of shares currently held by the Company, and more information on the effective operation of the statutory provision that will maintain the privilege of savings shares compared to any reduction of capital losses. On this last aspect, namely how one can claim, without par value, ensure that the savings shares participate only after losses to ordinary shares.

The shareholder, yet, ask who will be given the responsibility for dealing with fractional shares in the context of the proposed group, hoping that no burden is imposed on shareholders. Question then whether there is a typo on page 19 of the Report.

Mr. Cini requests further information on the allocation ratio of Pirelli RE shares, details that the Chairman promptly provides, making it clear that it will be a proportional one; Cini asked to comment on already circulating rumours on the possible launch of a takeover bid on Pirelli RE, recalling that, as from the information provided, there is a pact between the main prospective partners and underlining that current share prices are particularly low. The Chairman, on this matter, immediately intervenes arguing that any stipulation between shareholders relating to the maintenance of equity ratio within

future Prelios, as a takeover bid arises, is automatically void. The outcome of a possible offer therefore depends solely upon the choices that each shareholder would be called to make: as far as he is concerned, he states that he will decide not to sell, as a future prime partner of Prelios and at current price levels.

Following further requests by Mr. Cini, Chairman stated that Mr. Carlo Puri Negri will remain in office until the approval of the half-year interim report and that the termination of his mandate as CEO of Pirelli RE was caused by a “natural” management turnover following an important phase of turn around.

Mr. Antolini, does not agree on the proposals, believing that it is contradiction to eliminate the nominal value and then keep a reference number in order to claim the privilege of savings shares. On the other hand, believes that no one has ever successfully explained to shareholders what are the advantages in terms of simplification that this type of transaction involved. He also expresses concern that the Market may interpret share grouping as a sign of weakness. He reminds instead that he was able to positively assess the possible distribution of shares of Pirelli RE, thus providing individual shareholders a choice to continue to keep them or sell them on. Moreover, he reminds that the listing of Pirelli RE happened in 2006 at around 60 Euros, compared to the current 0.39 price: then he asks what was the reason for that. He believes that, about this issue, this episode is an example of serious speculation that we have witnessed in recent years, speculation that caused an unjustified increase in prices and then block the transaction. The shareholder, in any case, considers the current share price Pirelli RE is completely unjustified, particularly in light of the actual value of underlying assets. At the end of his intervention, he hopes that the operation allocation will be made at no charge for shareholders, and that the Chairman, in general terms, work to ensure that the prices to recover a fair value.

Mr. D'Atri, criticizes the absence of many advisers to the Board, noting that once you a position as important as Pirelli's administrator is accepted, it is necessary to make time to fill the post. The Assembly considers that the absence affect the company's image throughout, and that could be a sign of little education than shareholders. It then asks whether the reduction in shares outstanding is not appropriate to reduce the number of advisers, considering the current plethoric composition. He then asks whether a new meeting is scheduled in the near future, to amend the Statute in dependence of the new regulations recently came into force and stresses about the opportunity to involve all shareholders, encouraging preliminary informal discussions also by activating correspondence with a specific function of Investor Relations. Coming more specifically to the agenda, it looks like any act that has an impact on saving shares deserves special attention, especially by the Common Representative. So if this question has expressed an opinion on the proposals, asking, if not, he should speak at the meeting. In his view, would still be a specific investigation on his part, possibly through the use of appropriate professionals, so clarified, the legality of the resolutions or even their opportunities.

Mr. Facchetti asked about the turnover value of Pirelli Tyre at June 30, 2010. It also requests for more information about the Formula One sponsorship deal, an agreement which he believes could help give visibility to the group, despite however a particular attention must be give to budget compliance of 50 million. He mentions then the aggressive and incorrect behaviour of some newspapers about the Chairman, asking if such conduct is not a cause of distraction from the many commitments the Chairman

himself. After mentioning about the rumours of a possible takeover bid on Pirelli RE, he underlines how, following the spin-off, Pirelli will remain a company focused exclusively in the tire sector; he then asks whether it would be more appropriate to merge the few remaining shares in a further special company, perhaps to call Pirelli Holding. Yet about the structure of the Group, he suggests that it would be advisable to promote collaboration with the Malacalza Group, may be "downstream" in the Pirelli Group suggested new co, benefiting then all shareholders.

Mr. Mancuso asked if Consob had made some important proposals on the operations, reminding how it should be primary task of the monitoring authority to control operations of such importance. He instead argues of having learned some internal organizational difficulties making the work of the Authority more difficult; he also asks if this topic has been included in the agenda.

The Chairman, on the above point, states outright that no requests for clarification by CONSOB have been received so far or there are requests for this matter to be included in the agenda.

Re-gaining the microphone, Mr. Mancuso asked if all resolutions are fully respected the privileges of the savings shareholders protected and in particular if numerical amounts (of shares) are properly updated, following the grouping proposal. About the grouping, he adds that it would have been more appealing to recognize savings shares a better treatment compared to what was done for ordinary shares.

The Chairman spoke again to argue how, in a share grouping, there is no reason to favour one class of shares over another: the operation takes place in a perfectly proportional manner between ordinary shares and savings ones, with perfectly equal rights weight. He also reiterates that no comment by Consob has been received, which makes the transaction perfectly legitimate. Mancuso argues the point that it would have been preferable, in any case, to express a specific position to comfort savings shareholders, that it would been appropriate to call for a special assembly, to carefully evaluate the effective enforcement of all privileges of its savings shares themselves.

Mr. Zola remarks annoyed the absence of many advisers, saying that this shows clearly a form of serious disregard for shareholders as well as a lack of respect to the Directors, present, and in particular the Chairman. This matter, he continues, in his opinion, will become even more embarrassing when statistics on the number of advisers, their presence and their fees will be published in the press. All this, in the opinion of the shareholder, can cause considerable damages to the Company's' image: this forces him to make a formal complaint to the supervisory board, as per Art. 2408 of the Civil Code, referring to the matter of scarce attendance at meetings by the advisers.

The Chairman reminded that today's meeting was not officially scheduled in the actual calendar year and that everyone must take full responsibility for the reviews and assessments made against those who are absent.

No one else asking to speak, the Chairman therefore continues in his answers that are summarized below:

- About the Pirelli Foundation, firstly he ensures that the collection and publication of the material will indeed continue and therefore any suggestion in this direction will certainly be kept in mind. The Statute and the Rules of the Assembly, he said, are available at the entrance, while existing legislation requires recording only articles about statutory change. He also reminds that the capital increase mentioned in the Statute is going to expire on December 31, 2010, considering the fact that no option underlying the increase has been exercised.
- About the modification in the Statute relating the effect of losses on savings shares, he stresses that this effect serves only the principle of preserving intact the privilege of savings shares, in the same deferment, in fact, in participation in losses. Savings shares therefore will continue to be affected by a decline in capital losses, in substantially the same proportion as it is currently expected. Also in relation to Fabris's questions, he adds that in the "squaring" operation within share grouping, 1 ordinary every 8 saving shares will be deleted, that is actually 3,867,500 ordinary and 4,491,769 saving. Finally, he specifies that a primary intermediary operator part of the centralized management system of Monte Titoli SpA will conduct, on behalf of the Company, the sale of the fractional share amounts to facilitate the creation of groups, obviously without any cost to shareholders. Then he points out that there is no printing error on page 19, but it is rather only a correct sentence in Italian, although it may difficult to read it.
- Tronchetti Provera insists on Mr. Antolini's comments, arguing that the operation involves no harm to the savings shareholders and as proof to it reads to the Assembly a document received by the Presidency desk whereby the Common Representative does not consider appropriate to intervene in the debate, ensuring savings shareholders the legitimacy of the actions proposed by this assembly.
- The grouping operation, continues the Chairman, keeps each shareholder's rights unchanged and can simplify share administration, and shall, among other things, meet the preferences expressed by several British and American institutional funds, contributing in promoting liquidity of trade and to facilitate comparison with other titles in the tire industry.
- About the lack of advisers (was Mr. D'Atri's question), the Chairman adds that, on top of what has been already stressed, participation is normally higher than today's meeting, repeating that the meeting was not scheduled in the official yearly calendar. Then he ensures that all proposed amendments to the Statute are becoming increasingly more in line with demands from both the financial market and shareholders. In the near future, all comments will therefore be taken into account, providing they are made in accordance with the rules and course of their duties of the administrative body.
- On the other hand, he emphasizes that initiatives such as divesting stock or group of Pirelli RE also responds to demands from both investors and the market, in general, therefore in the interests of all shareholders. Evidence shows that, as the Chairman explains, that the Market increasingly tends to favour companies focused on a single business, so you can easily compare the different stakeholders: the separation of the Pirelli RE is therefore also made in the hope of a better stock value.

- Answering Mr. D'Atri's questions, the Chairman explains that the number of directors can hardly be reduced, given the number of committees that the Company has established and given also the large number of independent directors that need to be maintained, considering the possibility of having, across the board, various skills as an important factor.
- To answer Mr. Facchetti's requests, the Chairman will ensure that future activities related to the tyre sector will be limited to areas connected to this business: the commitment to the Environment, for instance, is indeed functional to improvements in the efficiency of factories, exploiting of new technologies. Even filters are connected to the tyre world, sharing the same distribution system.
- Additional shares will be reserved to Mediobanca and RCS. As for press comments currently published, the Chairman explains that, in his habit of being able to discern what is good writing from rubbish, there is no backlash on his business life concentration, as the results in fact show.

The Chairman then focuses on the relationships with the Malacalza family, explaining how in reality the relationships that are born at the operational level, especially on the business in China where it was possible benefit of the family Malacalza important presence in the field of steel.

The half-yearly results up to June 30, adds the Chairman, will be announced with the half: expectations, already communicated to the market, are those of a significant revenue growth.

After having reiterated to Mr. Mancuso that the Control Authority, when asked to carefully monitor what is submitted before them, certainly will not intervene if there are no critical issues, the Chairman, reverting to Mr. Zola, points out that today's meeting sees instead a significant participation of shareholders, a comforting sign, and confirm that all issues raised by shareholders during the assembly will be promptly notified to the directors that are were absent.

Mr. Antolini takes the microphone stand for further questions, regretting to hear that some of the answers given were the result of a drafting activity made by the Company's staff and therefore sounded a bit standard and kind of repetitive. Then he points out on the seriousness of the various events that took place within the Market, such as the abrupt fall of Telecom Italia Media shares following a capital increase and subsequent grouping: that is why he fears that the today's proposal can produce further damages in a similar fashion. Then asks why the negative of Pirelli RE, especially considering the value of the real estate assets owned.

The Chairman reminded that the above issues are going be answered during the discussion of third item on the agenda.

First, Mr. D'Atri thanks the Savings Shareholders Common Representative for expressing his opinions, recommending for the next time to react with greater commitment to better investigate, with the help of third parties' expertise, operations

that may impact on saving shares. He also adds the opportunity to include the representative name in the heading title of the Meeting Report.

The Chairman underlines that the assistance offered by the Company's staff in Q&A is to ensure for correct answering and is a sign of respect towards the shareholders, being the staff functional to provide more accurate feedback on issues that concern not just the business but also those of a more technical-legal nature. He then gives his full approval on giving more a greater emphasis to the name of the Common Representative on the Meeting Report.

No more shareholders asking for the microphone stand, the Chairman:

- Declares the discussion (session) officially over;
- Asked those present to not leave the meeting room for the duration of the voting procedure;
- Clarifies that holders of proxies who are meant to express different votes are requested to go to a specific area labelled with "assisted voting";
- Announced that, to express their deliberations, shareholders attending in person or by proxy are no No. 373 for 3,121,870,749 ordinary shares entitled to equal number of votes, equivalent to 59.655762% of total shares;
- Voting procedure took place (on 11.50 AM), using the Radiovoter and in the manner set out above, the decision regarding the proposal to eliminate the par value shares of Pirelli & C. S.p.A. (with subsequent statutory changes) given in the Directors' report, transcribed here (indicating only the proposed text of the articles subject to change):
 - "The extraordinary meeting of shareholders of Pirelli & C. SpA"
 - "Examined the report of the Board of Directors"

RESOLUTIONS

1) To eliminate the indication of the nominal value of ordinary and savings shares, leaving the company, therefore, with an unexpressed face value thereof;

2) to modify, accordingly, the provisions in the Company Statute connected to the nominal share value, also to maintain unchanged both savings shares measure and privileges, hence amending Articles 5 (five), 6 (six) and 18 (eighteen) of the bylaws as follows:

Article 5

5.1 The subscribed and paid up share capital is Euro 1,556,692,865.28 divided into n. 5,367,906,432 shares, no par value, of which No 5,233,142,003 ordinary shares and No. 134,764,429 savings shares.

5.2 In deliberations of paid capital increase, the option right may be excluded with the up limit of ten per cent of existing capital, provided that the issue price corresponds to the market value of the shares and this is confirmed, in a report, by the auditing firm appointed.

5.3 If resolved by the Assembly, the company's share capital can also be increased through the contribution of credits.

4.5 By resolution passed by the Extraordinary Meeting of May 7, 2003 has been attributed to the Directors the power to issue in one or more steps, up to a maximum of 100 million ordinary shares within April 30, 2008, to be given as reserved stock to managers and supervisors of the company and its subsidiaries and own subsidiaries in Italy and abroad, in accordance with Articles 2441 eighth paragraph Civil Code and Art. 58/1998 TU 134.

On February 25, 2005 the Board of Directors decided, in partial compliance with was delegated to it by the Extraordinary Meeting of May 7, 2003, to increase the share capital by a maximum of Euro 15,725,496.50, by issuing a maximum of 54,225,850 ordinary shares without nominal value, the price of Euro 0.996 each, of which Euro 0.706 to be charged and extra Euro 0.29 attributable to capital, to be reserved for subscription by directors and executives of the Company and companies under its subsidiaries or subsidiaries, in Italy and abroad.

Article 6

6.1 The Company shares are divided into ordinary and saving shares.

6.2 Ordinary shares entitle to one vote each, they are nominally registered or bearer able by ownership as permitted by law, and in this case they can be turn them from one class to another at holder request and expense.

6.3 Savings shares do not carry voting rights and except as otherwise provided by Law, they are bearer able by ownership.

6.4 A shareholder's request and expense they can be turned into savings shares nominally registered.

6.5 Savings shares, in addition to the rights and privileges provided by law and in other parts of this Statute, have priority in repayment of principal up to Euro 0.29 (zero point twenty-nine Euro cents) per share. Any reduction of capital due to losses, the reduction has no effect on savings shares, a part from the loss of capacity, in the fraction of capital represented by other shares.

6.6 The savings shares retain the rights and privileges under the Law and the Company's Statute, even if ordinary shares and savings are excluded from negotiation.

6.7 In case of increase of capital by issuing shares of one class, they will be offered as an option to shareholders of all categories.

6.8 In case of increase of capital by issuing of ordinary or savings shares:

a) the ordinary shareholders are entitled to receive ordinary shares and an option for any balance due, in savings shares;

b) the holders of savings shares are entitled to savings shares and an option for any balance due, in ordinary shares.

6.9 The possible introduction or removal of restrictions on the distribution of shares does not entitle to shareholders, who did not approve the relevant resolution, to recede.

6.10 The Savings Shareholders Organization is governed by Law and by this Statute. The charges related to the Organization of this special shareholder category as well as the remuneration fees of a Common Representative are paid by the Company.

Article 18

18.1 The Annual Net Income, after the provision of law to reserves, shall be distributed as follows:

a) Savings shares is allocated an amount up to a maximum of 7% (seven per cent) of Euro 0.29 (zero point twenty-nine Euro cents); if, within a fiscal year, a dividend was allocated to savings shares of less than seven per cent or Euro 0,29 (twenty-nine zero point Euro cents), the difference is computed by increasing the preference dividend in the next two fiscal years; profits remaining after the allocation of the dividend referred to above savings shares shall be allocated among all shares, so that the savings shares give a higher dividend than that of ordinary shares, in an amount equal to 2% (two percent) of Euro 0.29 (zero point twenty-nine Euro cents);

b) Notwithstanding the above provisions of higher dividend due to savings shares vs. ordinary shares, the latter is fixed up to five percent of their accounting par value (defined as the ratio between the amount of capital and the total number of shares issued).

18.2 Residual profits will be distributed to all shares classes, in addition to allocations in point a) and b) above, unless the Assembly, upon proposal of the Board of Directors, issues a special resolution to allocate them for extraordinary reserves, or to other destination or have to move to a new part of that share profits.

18.3 In case of distribution of reserves savings shares have the same rights as other shares.

4.18 Interim dividend may be distributed according to the Law.

3) To grant the Board of Directors - and for it to the Chairman and Vice Chairman's, being separated from each other - the broadest powers and all the powers needed to be implemented with the foregoing resolutions and to perform such act and or formalities necessary that the same are entered in the Register of Companies, accepting and introducing changes, additions or deletions, formal and insubstantial, as required by the relevant Authorities.

The Assembly adopted by majority vote.

- Contrarians 152,922 shares.
- Abstained 38,996 shares.
- Favourable remaining No. 3,121,678,831 shares involved.

All further details in the attachments.

The Chairman announces the voting result and, nobody taking the stand, he asks to be voted (at 11.54 AM), using the radiovoter and in the manner set out above, the decision about the proposal for a reverse stock of Pirelli & C. S.p.A. (with subsequent

statutory changes), as published in the Directors' Report and included as follows (although indicating only the proposed text of the articles subject to change):

"The extraordinary meeting of shareholders of Pirelli & C. SpA, once examined the report of the Board of Directors; Subject to the effectiveness of the resolutions of the first item on the agenda of this Extraordinary Meeting, proposes the following:

RESOLUTIONS

1) To approve the split of ordinary shares and savings shares in circulation, according to the following relationship: (i) No 1 (one) new common share without nominal value, dividend rights, all n. 11 (eleven) ordinary shares of Pirelli & C. S.p.A. owned, and (ii) No 1 (one) new share savings with no par value, dividend rights, all n. 11 (eleven) Pirelli savings shares S.p.A. Held, be set aside for the sole purpose of allowing the total surface area of the operation of No 1 (one) ordinary share and No 8 (eight) savings shares held by Pirelli & C. with a corresponding reduction in share capital amounting to Euro 2.61 (two point sixty-one);

2) Therefore modifying Article 5 (five) and, in order to measure the preservation of the privileges and features that assist the savings shares, Articles 6 (six) and 18 (eighteen) of the bylaws as follows:

Article 5

5.1 The subscribed and paid up share capital is Euro 1,556,692,862.67 divided into n. 487,991,493 shares, no par value, of which No 475,740,182 ordinary shares and No. 12,251,311 savings shares.

5.2 In its deliberations about paid up capital increase, the right may be excluded to the fullest extent of 10% (ten per cent) of existing capital, provided that the issue price corresponds to the market value of the shares and this is confirmed in the appointed Auditors report.

5.3 By resolution of the Assembly, the share capital can be increased through the contribution in kind or credits.

4.5 A resolution passed by the Extraordinary Meeting of May 7, 2003 attributed to the Directors the power to issue in one or more times, up to a maximum of 100,000,000 shares ordinary before the date of April 30, 2008, to be given to managers and supervisors of the company and its subsidiaries and own subsidiaries in Italy and abroad, in accordance with 2441 articles eighth paragraph of the Civil Code. and Art. 58/1998 TU 134. The Board of Directors on February 25, 2005 decided, in partial compliance with delegated to it by the Extraordinary Meeting of May 7, 2003, to increase the share capital by a maximum of Euro 15,725,496.50, restated in euros 15,725,494.18 following the reverse stock split because of No 1 new share for every n. 11 ordinary shares or savings owned resolved by the Extraordinary July 15 July 2010 through the issue, always taking account of that group share, of a maximum of 4,929,622 ordinary shares without nominal value at Euro 10.956 each, of which Euro 7.766 to be charged extra and Euro 3.19 attributable to capital, to be reserved for subscription by directors and executives of the

Company and companies under its subsidiaries or subsidiaries, in Italy and abroad.

Article 6

6.1 The actions are divided into ordinary shares and savings shares.

6.2 The ordinary shares entitle to one vote each, they are nominally registered or bearable by ownership, as permitted by law, and in this case turn them from one species to request and expense of the holder.

6.3 The savings shares do not confer the right to vote and, except as otherwise provided by law, are bearable by ownership.

6.4 A shareholder's request and expense can be turned into savings shares registered.

6.5 The savings shares, in addition to the rights and privileges provided by law and in other parts of the Statute, have priority in repayment of principal up to EUR 3.19 (three Euro point nineteen cents) per share. Any reduction of capital due to losses, the reduction has no effect on savings shares if not for the loss that has no capacity in the fraction of capital represented by other shares.

6.6 Savings shares retain the rights and privileges under the law and these statutes even if the delisting of ordinary shares and savings.

6.7 In case of increase of capital by issuing shares of one class, they will be offered as an option to shareholders of all categories.

6.8 In case of increase of capital by issuing ordinary shares or savings shares:

a) ordinary shareholders are entitled to receive ordinary shares and an option for any difference, savings shares;

b) the holders of savings shares are entitled to savings shares and an option for any difference, the ordinary shares.

6.9 The possible introduction or removal of restrictions on the movement of shares does not entitle to withdraw members who did not approve the relevant resolution.

6.10 The organization of savings shareholders is governed by law and this Statute. The charges related to the organization of the special category and remuneration of a common representative shall be borne by the Company.

Article 18

18.1 Annual net profits, after reserves provisions by Law, shall be distributed as follows:

a) Savings shares allocated for an amount up to a maximum of 7% (seven percent) to 3.19 Euro (Euro three and nineteen cents); if in a fiscal year savings shares allocated a dividend of less than seven per cent of Euro 3.19 (Euro three and nineteen cents), the difference is computed by increasing the preference dividend in the two subsequent years, the profits remaining after the allocation to savings shares of the dividend referred to

above shall be allocated among all shares so that the savings shares is up a higher dividend than that of ordinary shares in an amount equal to two percent of Euro 3.19 (Euro three and nineteen cents);

b) Notwithstanding the above provisions as to the higher dividend due to savings shares to ordinary shares is allocated an amount up to a maximum of 5% (five per cent) of their accounting par value (defined as the ratio between the amount of capital and the total number of shares issued).

18.2 Residual profits will be distributed among all shares, in addition to assignments in paragraph a) and b) above, unless the Assembly, upon proposal of the Board of Directors, issues a special resolution for the withdrawals for extraordinary reserves, or other destination or have to move to a new part of that share profits.

18.3 In case of distribution of reserves savings shares have the same rights as other shares.

4.18 Interim dividend may be distributed within the Law.

3) To grant the Board of Directors - and for it to the Chairman and Vice Chairman's, being separated from each other - with the broadest powers and all the powers needed to be implemented with the foregoing resolutions and to perform such act and or formalities necessary that the same are entered in the Company Registrar, accepting and introducing changes, additions or deletions, formal and insubstantial, as required by the competent authorities, establishing also in agreement with the latter timing and mode of operations of grouping .

The Assembly adopted by majority vote.

- Contrarians 157,960 shares.
- Abstained 5,000 shares.
- Favourable remaining No. 3,121,707,789 shares involved.

The Chairman informs that it can be the shares grouping is expected to start on July 26, 2010 or, at latest, by August 2, 2010, as soon as the formalities for filing the Assembly resolutions are completed.

All further details in attachments.

Opening the third item on the Agenda, the Chairman pointed out that the file handed at reception contains the texts of the Directors' Report and all proposed resolution has been re-worded inserting the draft resolutions up to this point the agenda, therefore duly updated and completed apart from data that were not available at the time of approval by the Council of the memorandum. As mentioned during the opening session, yesterday official stock of Pirelli & C. Real Estate was Euro 0.367, therefore the total amount of the reduction in capital will be equal to Euro 178,813,982.89. The outcome of the new capital-to-capital reduction would amount to Euro 1,377,878,879.78.

Continuing, the Chairman recalled that, as stated in the report by the Board and in the

disclosure document published on July 3rd, 2010, the operation of separation of assets belonging to other activities by Pirelli RE Pirelli fits into the rationalization activities for the management optimization that already begun in 2008 and continued throughout 2009, following the strategic path outlined by the 2009-2011 Three-Year Business Plan that sees focusing on in the tire sector as industrial core business, while enabling the shareholders of the Company, already indirectly participating the real estate business, to take a direct stake in Pirelli RE. If approved the transaction will take place through the allocation to shareholders of Pirelli & C. almost all of Pirelli RE shares held by the Company, representing approximately 58% of the capital, to be implemented through a capital reduction in the amount as that of approximately Euro 178.8 million, reflecting the value of participation Pirelli Re object allocation determined on the basis of the official price of Pirelli RE shares at yesterday's close.

The operation, in particular, will be implemented through proportional allocation to shareholders of the Company No 487,231,561 ordinary shares held by Pirelli RE Pirelli & C. The missed-allocation of all shares held by Pirelli RE companies (amounting to 487,798,972 and No accounting for around 58% stake in Pirelli RE) responds only to the technical requirements in order to determine a fractional allocation ratio does not shareholders of Pirelli & C..

The capital reduction predicted will be adequate to adjust the level of the Company equity to the new operational configuration, which will be following the separation of assets belonging to Pirelli RE.

The Chairman then refers to the contents of the disclosure document containing all the necessary information related to accounting and fiscal operation. The Chairman, finally, notes that since the current text of the bylaws do not expressly provide for the possibility of reducing the share capital by distributing goods in kind to shareholders, it is first necessary to amend Article 5 of the Statute, in order to emphasize clearly this method of reimbursement and the Executive then opened the discussion.

Mr. Fabris, after asking about the total cost of running this Assembly, focuses on some technical profiles of the resolution. In particular he notes that, after an implied accounting equality of shares outstanding that inevitably decreases, due to the capital reduction, the number of shares outstanding remains unchanged. Then he wonders whether it is correct to maintain unchanged the numerical parameter of the benefit granted to the savings shares, or whether this approach does not end up actually to cause harm to ordinary shares. Again, he asks about the technical process whereby - in the statutory capital increase - the stock option plans will be eliminated, once the deadline for execution is reached.

Mr. Mancuso, reiterates about how equal treatment as provided in the distribution for ordinary shares and savings shares, can cause negatively impact on them. He also reiterates that it would have been better to deal with the issue in a separate special meeting. Furthermore he expresses its concerns, in any case, for the distribution proposal quoting the modest performance of the Pirelli RE shares, even in the face of the recent subscription price of the capital price equal to nominal. He is concerned that, in the near future, shareholders of Pirelli RE may be called to decide a new operation of capital increase and see their paid up capital vanished. He finally asks, again, what is the timetable for the transaction completion, hoping that in 2011 both companies will be able to distribute dividends.

Mr. Rimbotti believes that the perspective of the shareholder Pirelli distribution is positive. He asks for confirmation that the Chairman remains in power after the largest shareholder completes the spin-off of Pirelli RE and draws attention to what the Chairman stated about his unwillingness to sell at modest prices like currently. Then he enquires on how the company will be managed, following the de-merger as Pirelli RE, at least as business trend. The shareholders, also referring to trends of today's meeting, is also expected that in the near future even more enhanced communication between the Company and its shareholders, including using appropriate procedures.

Mr. Zola enquires about the consultancy cost sustained in choosing a new brand name for Pirelli RE and whether it is possible to envisage some loss of confidence or even some form of damage, in terms of image, following to such change. On this point, he refers of having received news of complaints from third parties and therefore demands on more information on the matter. At the same time, notes that over the years there has been no particular advertising by Pirelli RE: on the latter point, he enquires on the cost, in terms of percentage of sales, for advertising costs in Pirelli first and then in Pirelli RE.

The Chairman reminded that issues such as change of name of Pirelli RE will be treated specifically, precisely during the Pirelli RE Shareholders Meeting.

Mr. Staffa asks why today's meeting was scheduled in Summer and requires further information on the structure of the proposed share distribution. He points out that he has been a long-term shareholder and had some reason for disappointment, however, linked the trend of the title. His last question was about the supply of tires in Formula One: will it be free of charge or not.

Mr. D'Atri, sharing the idea of separating the two core businesses where the Group is now engaged, asked what is the saving shares Common Representative opinion on matter that specifically relate to the third item on the agenda. He notes that should give evidence on the impact of the savings shareholders also in press release, to reassure the Market about the general goodwill of the operation.

No one else asking to speak and at the Chairman's request I – as notary public – make some further remarks in relation to questions raised by Mr. Fabris: the shareholders' resolution to increase capital by the mentioned shareholder was already included in the mandate given to the legal representatives to update the Statute, depending on the execution, or expiry of the raising capital itself. In relation to the extent of privilege due to the savings shares, I also remember that if you do not want to alter the rights accruing to those shares, that measure must necessarily remain firm and independent of the extent of share capital and thus the nominal value implied that action and, after the elimination of the nominal value, it may in time gain in value.

Adding in his replies, the Chairman continues quoting that the total cost of the Assembly is approximately Euro 100,000, mainly due to the cost of ads in newspapers and the services rendered by Servizio Titoli SpA. About the progress of Pirelli RE shares, he reminds that the company has achieved, in the first quarter of 2010 and for the first time in seven quarters, a positive EBIT, as it demonstrates the success of the extensive restructuring carried out in Italy and Germany. Staff has been reduced to one third, finalized a major increase in capital, a sound financial position established when was necessary by the Parent Company and was signed, with c.d Club Deal, a new financing loan for 320 million

Euro. To date, it is expected that Pirelli & C. is granting Pirelli RE a loan of 150 million, to be carried out under the same conditions and with a logic of “pari passu” (same logic, parallel activity) of the financing granted by banks; if results of the Plan were not to be achieved, the duration of that funding could be extended, with no further equity constraint.

The difficulties were reported in the recent past have also depended on the extraordinary events that affected the housing market, which was found to be a very significant liquidity crisis, a crisis that today seems to be slowing. Pirelli RE has suffered so much, but still suffered less than those who were more exposed to markets such as Spanish or English or American, where there has been a real bubble, and not just a lack of liquidity.

Today, the company is both in a restructuring and developing phase at the same time, developing a business model based more on providing more value added services. After the de-merger, the Chairman reminded that, in the future, he will be the first shareholder in Prelios with a stability pact of 18 months with other shareholders, with a total of shares not exceeding a 30% stake. There is a belief that the company will gradually recover its value, and for this reason that he, at current prices, it would not sell its stake.

Mr. Tronchetti Provera continues in the replies pointing out that once chosen to focus exclusively on the core activities of Pirelli Tyre, Pirelli RE maintaining the Pirelli brand could have caused confusion in the Market: thus a new name Prelios was identified, based on extensive market analysis. It was also allowed to real estate agents to keep the brand mark for another two years, to minimize the inconvenience that may result from such a brand rotation. He also underlines that, the operation will enable to better communicate the clear distinction between an industrial business (Pirelli) and a real estate company (Prelios). His personal commitment will be to remain in office as Chairman and to contribute to the development of the company, continuing a journey that started in 1988 and known until 2007 that a continuing series of successes; then the world has changed, and the fact of having maintained the company “alive” - while many others have disappeared from the Market – should be of great satisfaction for everyone.

About the commitment to Formula One, the Chairman continues, for the first time this provides a contribution from each team of Euro 1,350,000 euros, an sufficient amount to cover all running costs. It will provide an important “boost” for Pirelli’s image, especially considering that Formula One has witnessed a steady increase in viewers particularly in countries where the Company is growing, like Russia, China, and the Middle East. As this particularly effective marketing tool is concerned, some of the advertising cost will simply shifted to Formula One advertising expenses, refocusing on other areas, such as rally racing. Still, the initiative will bring enthusiasm within the company, and will be managed by a dedicated team, which he chaired, to be careful to monitor this new commitment without burdening the cost benefit but only in terms of marketing.

In the web section “Investor Relations”, continues Mr. Tronchetti Provera, you can find all useful contacts in order to receive all information with the greatest possible completeness. It is also available an interactive on-line channel called Investor Channel, and by year-end it will also be activated a service called “Caring”, dedicated to open a dialogue with small retail investor. About the date of the Meeting, the Chairman reminded that the intention was to conclude the transaction by the end of the year, given the lead times that require a wait of 90 days for any objections by of creditors, and therefore was inevitable to set a today’s date.

Continuing, the Chairman focuses on the risks that were mentioned during shareholders discussions following a fall in confidence caused by the brand change of Pirelli RE. He stresses the point that to regain the market's full confidence, the only thing of significance are results and on these everybody's attention will continue to be focused: the housing market continues, in general, to suffer from a modest influx of liquidity, but we start to see some signs of a trend reversal that is leading to a cautious optimism. When the property market will return to attract capitals, Prelios will take advantage of the quality of its assets, which consist of a wealth of solid value and a service company that is producing good results in Italy and Germany.

About advertising costs, Dr. Tronchetti Provera states that while Pirelli has spent between advertising and sponsorships, about Euro 120 million in 2009, representing 3% of revenues, expenses Pirelli RE have stopped at about 1,5% of turnover. Finally on the observations of D'Atri, the Chairman thanking him for the positive comments expressed by the shareholder, reminding that in its earlier intervention, the common representative of the savings shareholders confirmed the legality of the whole of the operations being evaluated by the Assembly today.

Mr. Fabris, in further reply, underlines that he still has some doubts about the extent of the privilege of savings shareholders, stressing that if it had been kept explicit nominal value of shares following a voluntary capital reduction, the privilege would automatically being referred to the new and lower nominal value. He then announces his vote abstention and suggest to carefully evaluate those technical aspects in the future.

Mr. Mancuso, who also brought some attention on the effect of capital reduction on the privilege of savings shares, asked whether a result of the group share the numerical amount of privilege has been properly updated.

The Chairman recalled that among the resolutions submitted to Assembly is indeed included the updating of the privilege of savings shares subsequent to the reverse stock split.

Mr. D'Atri, stressed that if from a legal standpoint the operation did not infringe the rights of holders of savings shares, in terms of preliminary evaluation and information submitted to the common representative, in his opinion, the Company should have done more. We therefore hope that Mr. Pecorella (legal) may in the future provide shareholders with more details on the savings shares transaction, perhaps through an appropriate notice to be rendered on the Company's website.

The Chairman, no one else asking to intervene, states that the transaction does not involve any infringement of the rights of the savings shares, which remain completely unchanged, as already mentioned, even after the group equity. And after all, he stresses that the common representative had no objected on this latter point. He then reiterates also, finally, that a new service for small investors called "Caring" will be in place to support any specific information that may be needed.

No more asking for the floor the Chairman:

- Closed the discussion;
- Calls to present not leave room for the duration of the voting;

- Clarifies that holders of proxies, which are meant to express different ratings are requested to go to location "assisted voting";

- Announced that, for deliberation, shareholders attending in person or by proxy are no No. 374 for 3,121,870,750 ordinary shares entitled to equal number of votes, equivalent to 59.655762% of total shares;

- Put to the vote (13.00), using an radiovoter and in the manner set out above, the decision on the proposal to amend Article 5, which aims to make explicit in the bylaws to reduce the capital by the distribution of goods in nature and the proposed reduction of share capital of Pirelli & C. S.p.A. through proportional allocation of savings to ordinary shareholders and the Society of No 487,231,561 ordinary shares of Pirelli & C. Real Estate in a ratio of one Pirelli & C. Real estate for each action Pirelli & C. owned and consequential amendments to Article 5 of the bylaws, again remembering that the text of the resolution submitted to the Assembly is given in the booklet containing the entrance Directors' report, updated and completed with data not available at the Council in approving the report, as explained and illustrated in the same. That proposal is reproduced here (indicating the proposed text of the item only to change):

"The Extraordinary Meeting of Pirelli & C. SpA shareholders:

- Examined the report of the Board of Directors;
- Acknowledged to the effectiveness of the resolutions of the first and second item on the agenda of this extraordinary meeting;
- Noted that the official price of the stock Pirelli & C. Real Estate S.p.A. on 14 (fourteen) July 2010 (year twothousand and ten) amounted to Euro 0.367 (zero point three hundred sixty-seven).

Makes therefore the following

RESOLUTIONS

1) To amend Article 5 (five) of the Bylaws by adding a new fifth paragraph the following wording: "5.5 If approved by the social capital can also be reduced through allocation of assets in kind to shareholders;

2) To reduce under Article 2445 of Civil Code, the share capital amounting to Euro 178,813,982.89 and then from Euro 1,556,692,862.67 to Euro 1.377.878.879,78, without cancellation of shares and ordinary shares and the allocation of savings as a proportion of their total No. of 487,231,561 of Pirelli & C Real Estate S.p.A. ordinary shares owned by the Company, and therefore with the allocation, to take into account the effects the of No. 8,359,269 owned shares:

- Each Pirelli & C. S.p.A shareholder holding ordinary and / or savings will benefit of No. 1 (one) ordinary share of Pirelli & C. Real Estate S.p.A. for all n. 1 (one) Pirelli S.p.A. ordinary or savings share owned;

3) To acknowledge that, under Article 2445, paragraph 3 of the Civil Code, the decision to reduce the share capital may be enforced by the Board of Directors only ninety days of the

entry in the Register of Companies, except that the circumstances described in Article 2445, paragraph 4, of the Civil Code;

4) By modifying Article 5 (five) of the bylaws by adding a sixth paragraph, as follows:

Article 5

5.1) The subscribed and paid up share capital is Euro 1,556,692,862.67 divided into No. 487,991,493 shares, at no par value, of which No. 475,740,182 ordinary shares and No. 12,251,311 savings shares.

5.2) In its deliberations of capital increase in payment, the right may be excluded to the limit up of 10% (ten per cent) of existing capital, provided that the issue price corresponds to the market value of the shares and this is confirmed by the appointed Auditors <report.

5.3) If resolved by social capital can be increased through the contribution in kind or credits.

5.4) By resolution passed by the Extraordinary Meeting of May 7, 2003 has been attributed to the Directors the power to issue in one or more times, up to a maximum of 100 million ordinary shares before the date of April 30, 2008, to be given to managers and supervisors of the company and its subsidiaries and own subsidiaries in Italy and abroad, in accordance with Articles 2441, eighth paragraph of the Civil Code and Art. 58/1998 TU 134. The Board of Directors on February 25, 2005 decided, in partial compliance with delegated to it by the Extraordinary Meeting of May 7, 2003, to increase the share capital by a maximum of Euro 15,725,496.50, restated in euros 15,725,494.18 following the reverse stock split because of No 1 new share for every n. 11 ordinary shares or savings owned resolved by the Extraordinary July 15, 2010 through the issue, always taking account of that group and the reduction of the share capital of a maximum of 4,929,622 ordinary shares without nominal value at Euro 10.589 each, of which Euro 7.399 to be charged extra and Euro 3.190 to be charged to capital, to be reserved for subscription by directors and executives of the Company and its subsidiaries or by subsidiaries, in Italy and abroad.

5.5) If approved by the social capital can also be reduced by the allocation of goods in kind to shareholders.

5.6) By resolution passed by the Extraordinary Meeting of July 15, 2010, was approved the voluntary reduction of share capital from EUR 1,556,692,862.67 to EUR 1,377,878,879.78 be implemented by assigning to ordinary shareholders and saving No 487,231,561 ordinary shares of Pirelli & C. Real Estate S.p.A. owned by the Company, such reduction to be performed in accordance with Article 2445, paragraph 3 of the Civil Code.

5) to grant the Board of Directors - and for it to the Chairman and Vice Chairman's, being separated from each other - with the broadest powers and all the powers needed to be implemented with the foregoing resolutions, to perform such act and / or formalities for the same are entered in the Register of Companies, accepting and introducing changes, additions or deletions, formal and insubstantial, as required by the competent authorities to reach agreement with the competent authorities mode, timing and procedures for the award shares of Pirelli & C. Real Estate S.p.A. shareholders of the Company and to

proceed to implement the capital reduction occurred, restate the liabilities to members on the basis of the official price of stock shares of Pirelli & C. Real Estate S.p.A. Current grant date to the shareholders of Pirelli & C. Real Estate SpA, as well as updating of numerical expressions contained in Article 5 of the bylaws under the new determination of the amount of capital. "

The Assembly adopted by majority vote.

- Contrarians 17,916 actions.
- Abstained 181,074 shares.
- Favourable, remaining No. 3,121,671,760 shares involved.

All details as per attachments.

The Chairman announces the result and nothing else Since there to discuss, the meeting officially ended at 13.05 (1:05 P.M.).

* * *

The Chairman asked me the Annex to this report:

- List of speakers, which is attached to this under "B", including details of votes;
- Text of the bylaws with effect from the date of registration to the Registrar of Companies the text of the resolutions taken, which is attached to this under "C".