



PIRELLI & C.

Società per Azioni

Registered office in Milan, Via G. Negri 10
Milan Companies Register No. 00860340157

**Report of the Common Representative to the Special Meeting
of the savings shareholders of Pirelli & C. S.p.A. saving
shares called on 26, 27 and 28 January 2009**

Board of Directors ¹

Chairman ²	Marco Tronchetti Provera
Deputy Chairman ²	Alberto Pirelli
Deputy Chairman ²	Carlo Alessandro Puri Negri
Directors:	Carlo Acutis * Carlo Angelici * ° Cristiano Antonelli * Gilberto Benetton Alberto Bombassei * ^ Franco Bruni * ° Luigi Campiglio * Enrico Tommaso Cucchiani Berardino Libonati * ^ Giulia Maria Ligresti Massimo Moratti Renato Pagliaro Umberto Paolucci * Giovanni Perissinotto Giampiero Pesenti * ^ Luigi Roth * Carlo Secchi * °

* Independent director

° Member of the Internal Control and Corporate Governance Committee

^ Member of the Remuneration Committee

Secretary to the Board	Anna Chiara Svelto
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Board of Statutory Auditors ³

Chairman	Luigi Guatri
Standing members	Enrico Laghi Paolo Domenico Sfameni
Alternate members	Franco Ghiringhelli Luigi Guerra

General Manager

Operations	Claudio De Conto
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Independent Auditors ⁴

Reconta Ernst & Young S.p.A.

Manager responsible for the preparation of the financial reports of the company ⁵

Claudio De Conto

¹ Appointment: April 29, 2008. Expiry: shareholders' meeting called to approve the financial statements at December 31, 2010.

² Post conferred by the board of directors' meeting held on April 29, 2008.

³ Appointment: April 21, 2006. Expiry: shareholders' meeting called to approve the financial statements at December 31, 2008.

Paolo Domenico Sfameni was appointed by the shareholders' meeting held on April 29, 2008 to replace Paolo Francesco Lazzati who resigned.

⁴ Post conferred by the shareholders' meeting held on April 29, 2008.

⁵ Appointment: conferred by the board of directors' meeting held on April 29, 2008. Expiry: shareholders' meeting called to approve the financial statements at December 31, 2010.

Pirelli & C. – Società per Azioni
Milan - Via G. Negri n. 10
Share capital Euro 1,556,692,865.28 fully paid in
Tax Code and Number of Registration with the Milan
Company Register n. 00860340157

CALL TO SPECIAL SHAREHOLDERS' MEETING

The holders of saving shares of Pirelli & C. S.p.A. (the "Company") are called to a special general meeting to be held in Milan, Viale Sarca 214 at 10,30 a.m.

- . on Monday 26th January, 2009 on first call;
 - . on Tuesday 27^h January, 2009 on second call
 - . on Wednesday 28th January, 2009 on third call
- to discuss and resolve upon the following

AGENDA

- 1) Appointment of the common representative for the financial years 2009, 2010 and 2011.
- 2) Determination of the fee in favour of the common representative of the holders of saving shares.
- 3) Resolution upon the fund pursuant to art. 146, paragraph 1, letter c) of Legislative Decree February 24, 1998, n. 58.

According to the provisions of law and to the Company's By-Laws, holders of savings shares for which the Company has received the communication pursuant to article 2370, paragraph 2, of the Italian Civil Code at least two days prior to the date set for each meeting shall be entitled to attend the shareholders' meeting.

The reports of the common representative of the saving shares relevant to all the items of the agenda will be made available to the public at the Company head office and at Borsa Italiana S.p.A. within 31st December, 2008 and published on the web site of the Company www.pirelli.com.

This notice has been published on the Official Gazette of the Italian Republic dated 18th December, 2008.

Report of the Common Representative to the Special Meeting of the savings shareholders of Pirelli & C. S.p.A. saving shares called on 26, 27 and 28 January 2009

Dear Shareholders,

you have been called to a special meeting to appoint the common representative of the holders of Pirelli & C. saving shares for the financial years 2009, 2010 and 2011, on expiry of the term conferred to me by the special meeting of the saving shareholders held on January 25, 2006 for the three years-period 2006/2008.¹

You are also called to resolve upon the fee in favour of the common representative.

You are then called to resolve upon the creation of a fund for the expenses necessary to protect the common interests of the holders of saving shares and the related statement of account pursuant to article 146, paragraph 1, letter c) of the Legislative Decree February 24, 1998, n. 58.² In relation to the statement of account on the fund, created following the resolutions of the meeting held on January 25, 2006 in an amount equal to EUR 40,000 including the fee of the common representative, I hereby inform you that such amount has been used solely for such fee, whose amount was fixed, by the above mentioned meeting, in EUR 8,000 gross per year. At today's date the remaining amount in the expense fund is equal to EUR 16,000.

With reference to the items of the agenda, the special meeting shall adopt resolutions in first and second call with the favourable vote of the saving shares representing respectively the twenty and the ten percent of the saving shares issued. On third call the special meeting shall adopt resolutions by the simple majority of those present, regardless of the proportion of the capital they represent.

That being said I would like to give you a brief summary of the activities undertaken during my office.

I attended all four ordinary shareholders' meetings of the Company (April 21, 2006, April 23, 2007, December 12, 2007 and April 29, 2008) held in the period and chaired the meeting of the holders of savings shares held on December 14, 2007.

In particular I must point out that:

- as a result of the resolutions taken at the extraordinary Shareholders' meeting on April 23 2007, the text of the bylaws has been adjusted to the provisions of Law December 28, 2005, n. 262 (so called "Savings Protection Law") as amended by Legislative Decree December 29, 2006, n. 303 (so called "Corrective Decree").

Furthermore, some changes have directly affected the holders of savings shares. With the amendment of Article 6 (shares) of the bylaws, apart from explaining that the organization of the holders of savings shares is governed by the law and by the bylaws, it has been

¹ In accordance with Italian Law, both natural persons (whether or not holders of savings shares) and legal persons authorized to provide investment services as well as trust companies may be appointed as common representatives. The term of the office can not exceed three fiscal years. There is no legal limit to the re-appointment of the Common Representative.

² Art. 146, paragraph 1 of Legislative Decree February 24, 1998, n. 58

1. Special shareholders' meetings of holders of savings shares shall resolve:

- a) on the appointment and removal of the common representative and legal action for liability against such person;
- b) on the approval of resolutions adopted by the shareholders' meeting of the company that prejudice the rights of the category, with the favorable vote of as many shares as represent at least twenty per cent of the shares of the class in question;
- c) on the creation of a fund for the expenses necessary to protect common interests and the related statement of accounts; the fund shall be advanced by the company, which may recover the advance from the profits due to holders of savings shares in excess of any amount guaranteed;
- d) on the settlement of disputes with the company, with the favorable vote of shares representing at least twenty per cent of the shares of the class in question;
- e) On other matters of common interest.

statutorily regulated what is practice in the the Company's course of business, thus contemplating the the assumption of the charges incurred for the organization of the meeting of the holders of saving shares and the fee in favour of the common representative. Then, by means of the changes in Article 7 and Article 9 (Shareholders' Meeting) of the Bylaws, it has been specified, in accordance with the steps described above, the modalities for calling the meeting of the holders of the savings shares and the appointment of the Chairman of the meeting;

- as a result of the resolutions taken during the extraordinary shareholders meeting held on 29 April, 2008, the text of the Bylaws has been conformed to the provisions of the legislative decree February 24, 1998, n. 58, as further amended by the legislative decree on November 6, 2007, n. 195.

Particular attention was paid to the resolutions submitted to the extraordinary shareholders' meeting called for 11 and 12 December 2007, which was subject to extensive disclosure by the Company.

The Board of Directors on November 9, 2007 proposed to the shareholders meeting convened for the following month of December, further to some Bylaws amendments for conforming the text to the provisions of Consob's Regulation 11971/99, as amended by Consob's resolution 15915 of May 3, 2007, also a voluntary reduction of the share capital in order to allow the reimbursement to the shareholders (both ordinary and savings) of part of the financial resources obtained through the sale of its stake in Olimpia SpA (completed in October 2007) and, through the same, in Telecom Italy SpA and to optimize the capital structure of the Company, in particular through a redefinition of the relationship between assets and available reserves.

The way in which the share capital reduction was proposed (reducing the par value of ordinary and savings shares from Euro 0.52 to Euro 0.29) directly affected the shares par value, which is the parameter of the recognized privilege of the category and required the approval of the meeting of the holders saving shares which was convened by the Board of Directors in the same month of December 2007. In the report of the Board of Directors was also widely explained that any approvals of the transaction would have led to the right of withdrawal for those holders of saving shares who did not contribute to the adoption of the resolution by the special meeting indicating inter alia the consideration payable to the withdrawing saving shareholders.

In reference to this transaction I draw up, on November 22, 2007, a specific report which was promptly made available to the public along with the one prepared by the Board of Directors.

The share capital reduction was subsequently approved by the ordinary shareholders in the meeting held on December 12, 2007, according to the terms and modalities proposed by the Board of Directors and, subsequently, on December 14, 2007, it was approved by the savings shareholders meeting as well.

The right of withdrawal was exercised by the saving shareholders for a total amount of 4,546,093 saving shares (equal to 3.37% of the saving share capital). At the end of the procedure, n. 54,324 shares have been acquired by Company's shareholders (as a consequence of exercising an option or a pre-emptive right) while the remaining n. 4,491,769 saving shares subject to the withdrawal right, have been acquired by Pirelli & C. S.p.A. and today they are still in the Company's portfolio.

As a consequence thereof, the share capital of Pirelli & C. S.p.A. was reduced to EUR 1,556,692,865.28. On April 3, 2008 it was paid to both the ordinary and savings shareholders, an "extraordinary dividend" equal to Euro 0.154 per share.

I also point out that the dividend for the savings shares with payment due on May 22, 2008 was inclusive of the dividend for the year 2007 and, as required by the bylaws, of the one not distributed for the year 2006. The par value of shares taken into consideration by the Board of Directors for the purpose of calculating the preferred dividend payable to the saving shareholders was the one pre- reduction of the share capital and it was equal to Euro 0.52 per share.

At the end I would like to inform you that during my office, the Company has always promptly sent to me all the documents made available to the public.

Thank you for the confidence given.

Milan, December 22, 2008

The common representative of the saving shareholders of Pirelli & C.

Avv. Giovanni Pecorella