

PIRELLI & C.
Società per Azioni
Milan - Via G. Negri 10
Tax Code and Number of Registration
with the Milan Companies Register no. 00860340157

Results of the offer on the Mercato Telematico Azionario of the Pirelli & C. S.p.A. savings shares for which the right of withdrawal has been exercised

Pirelli & C. S.p.A. (“**Pirelli**” or the “**Company**”) informs that the offer on the Mercato Telematico Azionario (MTA), organized and managed by Borsa Italiana S.p.A., of the no. 4,491,769 Pirelli savings shares (the “**Shares**”) for which the right of withdrawal has been exercised, following the resolution of share capital reduction approved by the Company’s extraordinary shareholders’ meeting on December 12, 2007, and remained not purchased in the pre-emptive offer to the shareholders pursuant to Article 2437-*quater*, para. 1, of Italian Civil Code, ended with no acceptances on March 26, 2008.

As a consequence, on March 27, 2008, the Shares have been bought back by the Company at a price equal to Euro 0.8055 per Share (corresponding to the liquidation value of the savings shares for which the right of withdrawal has been exercised) by means of available reserves.

The payment to entitled shareholders of the liquidation value of the savings shares for which the right of withdrawal has been exercised will be made, through the respective intermediaries, on March 31, 2008.

Pirelli & C. S.p.A. Share Capital Reduction

Pirelli also informs that, at the expiration of the term provided by the law, no oppositions result to have been filed by the creditors of the Company to the reduction of share capital approved by the extraordinary shareholders’ meeting of the Company on December 12, 2007, to be executed through reduction of the nominal value of both ordinary and savings shares from EUR 0.52 to EUR 0.29 each, of the no. 5,367,906,432 shares constituting the Pirelli share capital, for an aggregate amount of EUR 1,234,618,479.36 (the “**Share Capital Reduction**”).

The Share Capital Reduction will be therefore executed on March 31, 2008. As from such date the Pirelli share capital will be equal to EUR 1,556,692,865.28 and will be divided into no. 5,367,906,432 shares having a nominal value of EUR 0.29 each, of which no. 5,233,142,003 being ordinary shares and no. 134,764,429 being savings shares.

The Share Capital Reduction will be executed as follows:

- A) distribution to all shareholders of an amount equal to EUR 0.154 per each ordinary or savings share held (the “**Extraordinary Dividend**”), for an aggregate amount of EUR 826,657,590.53.

The payment of the Extraordinary Dividend will be made on April 3, 2008, while the coupon detachment date will be March 31, 2008 (coupon no. 12 for both classes of shares).

Accordingly, as from March 31, 2008, the Pirelli & C. S.p.A. shares will be traded on the Mercato Telematico Azionario (MTA), organized and managed by Borsa Italiana S.p.A. “ex” Extraordinary Dividend;

- B) creation of a reserve for EUR 407,960,888.83.

With regards to tax implications, being the transaction a capital reimbursement, the distribution of the Extraordinary Dividend is tax neutral both for the Company and for the relevant shareholder.

Milan, March 28, 2008