



Pirelli & C. Società per Azioni

Dear Shareholder,

the Board of Directors of Pirelli & C. S.p.A. have called the savings shareholders on Special Meeting on 12, 13 and 14 December 2007 (respectively on first, second and third call), in order to approve the resolutions that will be taken by the Extraordinary General Meeting of ordinary shareholders with reference to the **proposal of voluntary reduction of the share capital of Pirelli**, aimed partly to pay an “extraordinary dividend” and partly to create a reserve.

In detail, the proposal provides for the reduction of the nominal value of the shares, both ordinary and savings, from EUR 0.52 to EUR 0.29 per share, in connection with which the Company will:

- (i) pay in favour of all shareholders an “**extraordinary dividend**”, for an amount equal to **EUR 0.154 per each share held, either ordinary or savings**, for an aggregate amount of **EUR 826,657,590.53**; and
- (ii) create a **reserve** (for an amount equal to **EUR 407,960,888.83**) which will allow to optimize the current financial structure.

With reference to tax aspects, the transaction, involving a capital reimbursement, is tax neutral both for the Company **and the shareholder being reimbursed**.

Please note that **the transactions mentioned above need also the approval of the Special Meeting**. Therefore, the participation of the greatest number of shareholders will be precious.

We wish that you may participate to this important corporate event, that **will take place presumably on third call on December 14, 2007**, at Viale Sarca no. 214, Milan. We remind you that if you may not participate in person, you can give a proxy to a person of your trust who may express your vote.

Also, we wish to remind you that in order to participate in person or through a person of your trust acting as proxy, you will have to timely contact the broker acting as custodian of your shares and ask such broker to issue **the communication attesting your right to participate to the Special Meeting and to exercise the right to vote at the same. The communication shall have to be sent by the broker to Pirelli at least two days prior to the date of the Special Meeting**.

Finally, a toll-free number – **800.198.926** – has been made available to all savings shareholders, which will operate from Monday to Friday from 9 a.m. until 6 p.m. and on Saturday from 9 a.m. until 1 p.m. (only from Italy). You may make reference to such toll-free number for any information you may need. The toll-free number is managed by Sodali S.p.A., a company specialised in communication to shareholders, which has been appointed by Pirelli to carry out information activities in connection with the Special Meeting.

For any further details, we invite you to read the notice of call attached hereto and the reports of the Board of Directors and of the Common Representative of savings shareholders, which are available also on the Internet website www.pirelli.com.

Many thanks for your kind attention.

Best Regards

Pirelli & C. Società per Azioni
COMPANY'S SECRETARY'S OFFICE