



PRESS RELEASE

THE BOARD OF DIRECTORS OF PIRELLI & C. SPA APPROVES FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2008:

IN THE FIRST NINE MONTHS OF 2008 REVENUES STABLE AND MARGINS DECLINING, AFFECTED BY DIFFICULT INTERNATIONAL ECONOMIC SCENARIO AND IMPACT OF HIGH COST OF RAW MATERIALS (121 MILLION EUROS MORE, 76 MILLION OF WHICH IN THIRD QUARTER ALONE, COMPARED WITH 2007)

ACTIONS BEGUN TO CONTRAST NEGATIVE TREND IN EUROPE AND NORTH AMERICA AND FAVOR COMPETITIVENESS AND GROWTH OF THE GROUP:

- INVESTMENTS FOR EXPANSION IN HIGHER GROWTH MARKETS
- FOCUS ON INNOVATION AND DEVELOPMENT OF HIGH-TECH PRODUCTS
- RESTRUCTURING AND EFFICIENCIES IN TYRE AND REAL ESTATE BUSINESSES

ON 11 FEBRUARY 2009 PRESENTATION OF THREE-YEAR PLAN 2009-2011 TO THE FINANCIAL COMMUNITY

HIGHLIGHTS OF GROUP FINANCIAL STATEMENTS JANUARY-SEPTEMBER 2008

- Revenues: 3,898.6 mln € (+0.3% on a like-for-like basis compared with 2007 figure, net of exchange rate effects and DGAG effect)
- EBIT before restructuring charges: 241.6 mln € (-18.7% from 297.3 mln € in 2007)
- Restructuring charges: 49.3 mln € (31.7 mln € Pirelli Tyre, 17.6 mln € Pirelli RE)
- Attributable net result: -51.3 mln € (129.8 mln € in 2007), influenced in part by writedown of 155 mln € of Telecom Italia stake done in first half
- Net financial position as of 30/09: negative for 1,055.7 mln € (823 mln € as of 30/06)
- Pirelli Tyre: Revenues 3,229.2 mln € (+3.1% on a like-for-like basis from 3,191.8 mln € in 2007). EBIT before restructuring charges 231.8 mln € (-19% from 286.2 mln € in 2007)
- Pirelli RE: Pro-quota aggregate revenues 938.3 mln € (982.8 mln € in 2007 net of the DGAG effect). EBIT including results from equity participations, before restructuring charges: 33.1 mln € (141.2 mln € in 2007 net of DGAG effect and including 93.5 mln € of revaluations of businesses and disposals)

OUTLOOK FULL YEAR 2008

- For the full year 2008, taking also into account statements made on the occasion of publication of financial statements as of 30 June, the Company confirms its expectations of consolidated EBIT before restructuring charges lower overall than in 2007. The size of the decline will be greater than what had been estimated at the end of the first half, in consideration of the further deterioration of markets of reference in the third quarter, also expected for the last part of the year

Milan, 7 November 2008 - The Board of Directors of Pirelli & C. SpA, which met today, examined and approved the intermediate financial statements as of 30 September 2008.

Results of the **Pirelli & C. SpA Group** in the **first nine months of 2008** were affected by the consequences of the **international financial crisis** in both of the **main industries of reference, automotive and real estate**, and in the **level of consumer demand**, especially in Europe and North America.

The **tyre market** registered in the course of the first nine months **increasing weakness** due to a combination of factors. In volume terms, the **replacement channel**, which determines most of the sales of the business, was penalized by the **reduction in demand**, especially in Western markets (both in consumer and industrial segments), while the **original equipment channel** was hurt by the **strong contraction of new car sales in Western Europe** (-10% in the third quarter, -5% in the first nine months compared with 2007) and in **North America** (-15% in the third quarter, -11% in the first nine months compared with 2007), with a **worsening scenario** even in some emerging markets such as **China**. In terms of margins, the industry suffered from **strong price increases in raw materials**, which reached peaks for the year in the third quarter, before starting a rapid decline which Pirelli will benefit from mainly beginning in the first quarter of 2009. **For the Group, the increase in raw materials costs determined greater costs of 121 million euros in the nine months (76 million euros in the third quarter alone).**

The **difficult trend** in the **real estate market** also continued, penalized by falling prices, a slowdown in transactions, and difficult access to credit, in addition to a general lack of trust in the sector.

In this context, the Group closed the first nine months of the year with **revenues essentially stable** and a **reduction in margins** compared with 2007. The **performance of the third quarter** weighed heavily on these results, given that in light of the current economic scenario the quarter closed with a **decline in the main indicators** compared with both the same period of 2007 and the two quarters preceding it. The **net result was negative**, particularly due to the **writedown of the stake in Telecom Italia** made during the **first half**. Thanks to its multinational industrial structure, Pirelli benefited however from **good business performance in emerging markets** (especially Latin America and China), and from **improvement in operating results of the Industrial tyre division**. Also of note was the **positive result** of the **broadband business**, with sales and operating margins growing.

In order to respond effectively to the current economic scenario, especially the weakness of markets of reference in **Europe**, and set the stage for future growth of the Group, Pirelli began in recent months a **series of actions for restructuring** and further **focusing on growth and competitiveness of the two main businesses**. In particular:

Tyre business

- **new investments to strengthen the Company's presence in higher growth areas and increase competitiveness of the industrial base** (increases of **manufacturing capacity** in **Brazil, China and Romania**, and the coming **start-up of a joint venture in Russia**);
- **focus on technology and product development** (*Car*: launch of the new Pirelli Cinturato, an eco-sustainable tyre for the European market, and of the Winter Sottozero Series II, the new winter tyre with high safety and performance features. *Motorcycle*: Scorpion Trail introduced for the enduro-road motorcycle segment, and Metzeler Roadtec Z6 Interact for the Sport Touring segment. *Industrial*: renewal of 70% of the product range in China and introduction of new sizes of low-profile tyres in Europe);
- actions for **restructuring and strengthening competitiveness of the industrial structure in Europe and cost reduction in central structures**.

Real Estate business

- **restructuring plan** for the initial purpose of generating cost reductions of 25/30 million euros in 2009. The plan, announced at the time of publication of intermediate financial

statements as of 31 March, is proceeding according to the expected timing and will bring **benefits exceeding 30 million euros already starting in 2009**;

- **adaptation of the business model to a changed scenario** through a reorganization into **three business units**: residential, commercial e non performing loans.

Restructuring charges in the first nine months of 2008 amounted to **49.3 million euros** (31.7 million euros in the tyre business, 17.6 million euros in real estate).

Results of Pirelli & C. SpA Group

Consolidated revenues in the first nine months of 2008 amounted to **3,898.6 million euros**, substantially **stable (+0.3%)** on a like for like basis, that is when compared to the figure from the first nine months of 2007 net of the exchange rate effect and of sales relating to deconsolidation of the real estate assets of DGAG (3,886.1 million euros). Taking into account the DGAG effect, sales as of 30 September 2007 amounted to 5,229.2 million euros. **Consolidated revenues in the third quarter** amounted to **1,213.3 million euros** (-4.6% on a like for like basis).

EBIT in the first nine months of 2008 before restructuring charges in the tyre and real estate businesses amounted to **241.6 million euros**, **down 18.7%** from 297.3 million euros in the first nine months of 2007. Considering restructuring charges in the first nine months, which amounted to 49.3 million euros, EBIT amounted to **192.3 million euros**. **EBIT in the third quarter, before restructuring charges** (28.1 million euros in the July-September period), amounted to **30.1 million euros**, down heavily from the same period in 2007 (76 million euros) due to weakness in the two main business areas.

EBIT including results from equity participations in the first nine months of 2008, which also included the effect of companies valued according to the shareholders' equity method and dividends from other non-consolidated equity participations, was equal to **109.6 million euros** (462.1 million euros as of 30 September 2007). **EBIT including results from equity participations in the third quarter** stood at **11.7 million euros** (113.3 million euros in the third quarter of 2007). This indicator was affected by a lesser contribution from Pirelli RE equity participations, due to the slowdown in the real estate market, and to the 155 million euro writedown of the 1.36% stake in Telecom Italia held by the Group.

The **total consolidated net result in the first nine months of 2008** was **negative for 36.3 million euros**, compared with a positive figure of 243.3 million euros in the same period in 2007. The **Group's attributable consolidated net result in the first nine months of 2008** was **negative for 51.3 million euros**, compared with a positive figure of 129.8 million euros in the first nine months of 2007. The **attributable consolidated net result for the third quarter** was **negative for 15.1 million euros** (positive for 21.6 million euros in the third quarter of 2007), due to the reduction in margins and to restructuring charges in the main businesses.

Total consolidated shareholders' equity as of 30 September 2008 was **2,809 million euros**, compared with 3,804.1 million euros at the end of 2007 and 3,002.4 million euros as of 30 June 2008. **Consolidated shareholders' equity attributable** to the Group as of 30 September 2008 amounted to **2,499.6 million euros** (0.466 euros per share), compared with 2,980.2 million euros (0.555 euros per share) at the end of 2007 and 2,608.1 million euros (0.486 euros per share) as of 30 June 2008.

The **net financial position** of the Group as of **30 September 2008** was **negative for 1,055.7 million euros**, compared with a negative figure of 823 million euros as of 30 June 2008. The variation in the quarter was affected by the buyback of Turkish minority stakes in the tyre business (43.3 million euros), the purchase of the stake in Highstreet by Pirelli RE (59.8 million euros), the investment in CyOptics (12.7 million euros), and the increase in working capital partly due to the weak business environment. The net financial position as of 31 December 2007 was positive for 302.1 million euros.

Employees of the Group as of **30 September 2008** counted **31,682** (of which 3,649 temporary) compared with 30,813 (of which 3,632 temporary) as of 31 December 2007.

Pirelli Tyre

Revenues of Pirelli Tyre in the first nine months of 2008 amounted to **3,229.2 million euros, up 3.1%** on a like for like basis compared with the same period in 2007. Net of the exchange rate effect (which was negative for 1.9%), revenue **growth was 1.2%**. **Revenues in the third quarter** amounted to **1,062.9 million euros, up 3.4%** on a like for like basis compared with 1,040.4 million euros in 2007. The sales increase, notwithstanding falling volumes in Europe and North America especially in the third quarter, was linked mainly to a **focus on high value added segments** and to the **price component** (price/mix in the first nine months +5.3% compared with the same period in 2007).

EBITDA in the first nine months of 2008, before restructuring charges (31.7 million euros in the January-September period), amounted to **378.3 million euros (11.7% of sales), down 12%** compared with 430.6 million euros (13.5% of sales) in the same period of 2007. **EBITDA in the third quarter, before restructuring charges** (26.7 million euros in the July-September period), was equal to 91.8 million euros (128.9 million euros in the third quarter of 2007).

EBIT in the first nine months of 2008, before restructuring charges, amounted to **231.8 million euros (7.2% of sales), down 19%** compared with 286.2 million euros in the same period of 2007. **EBIT in the third quarter, before restructuring charges**, was 40.8 million euros (79.9 million euros in the same period of 2007).

The decline in operating results with respect to the first nine months of 2007, notwithstanding good sales performance in terms of price/mix and the positive contribution from rapidly growing emerging markets, was due to a non-favorable market scenario in volume terms in Europe and North America, combined with a **strong increase in raw materials costs, greater than 121 million euros** (of which 76 million euros in the third quarter alone) **compared with the same period last year**. Restructuring actions in Europe to effectively contrast the current scenario and strengthen the competitive structure brought charges in the first nine months of 31.7 million euros. Considering restructuring charges as well, EBIT as of 30 September 2008 was equal to 200.1 million euros.

Net profit in the first nine months of 2008 amounted to **108.3 million euros**, compared with a result of 160 million euros for the first nine months of 2007. **Net profit in the third quarter** amounted to 6.6 million euros (42.6 million euros in the third quarter of 2007).

The **net financial position** as of 30 September 2008 was **negative for 892.4 million euros**, up from 773.4 million euros as of 30 June mainly due to the payout for repurchase of Turkish minorities (43.3 million euros) and the seasonal cycle of working capital.

Employees of Pirelli Tyre as of 30 September 2008 counted **29,151** (of which 3,439 temporary), compared with 27,224 (of which 3,481 temporary) at the end of 2007.

In the **Consumer** business (*Car/Light Truck* tyres and *Motorcycle* tyres), revenues in the first nine months of 2008 amounted to 2,207.9 million euros (+2.2% at constant exchange rates). Revenues in the third quarter amounted to 713.6 million euros and were essentially stable, on a like for like basis, with respect to the same period in 2007. EBIT before restructuring charges in the first nine months was 139 million euros, down from 201.8 million euros in the same period of 2007 due to the negative trend in volumes in Europe (especially in Winter tyres) and in North America, for the unfavorable mix of sales channels and the incomplete recovery of the increase of costs of manufacturing factors. The contraction in EBIT before restructuring charges with respect to last year was more marked in the third quarter (12.2 million euros compared with 52.7 million euros in the same period of 2007).

In the *Car/Light Truck* segment, the first nine months were characterized by the launch on the European market of the new *Pirelli Cinturato*, a modern high-tech revisitation of the tyre that made history in the industry. The new *Cinturato*, produced in P4 and P6 models, has already been chosen for original equipment supply of the most widely distributed models of many of the major European automakers, and has received important recognition by major specialized magazines and by the Automobile Clubs of Germany, Austria and Switzerland. In the Winter tyre segment the new *Winter Sottozero Series II* was launched, a tyre characterized by a special, performing grip in conditions of snow and wet asphalt, to guarantee safe driving in Winter.

In the *Motorcycle* segment the first nine months of 2008 were characterized by growing revenues for both the *Pirelli* and *Metzeler* brands, both in original equipment and in the replacement channel. In terms of the product, in this period several new homologations were obtained by *Pirelli* and *Metzeler* and the new *Pirelli Scorpion Trail* tyres were launched for enduro-road motorcycles, as well as the *Metzeler Roadtec Z6 Interact* for the Sport Touring segment.

In the **Industrial** business (*tyres for Industrial Vehicles and Steelcord*), revenues in the first nine months amounted to 1,021.3 million euros, with an increase on a like for like basis of 5.2% (price/mix +7.2%, volumes -2%) compared with the same period in 2007. The third quarter was particularly positive, with revenues of 349.3 million euros, up 10.7% at constant exchange rates, especially in rapidly growing markets where the business unit is focused. Growth was attenuated by a negative variation in volumes, due in part to the difficult macroeconomic scenario in the European market and in part to saturation of factories during the year.

EBIT in the first nine months of 2008, before restructuring charges, amounted to 92.8 million euros (9.1% of sales), significantly higher compared with 84.4 million euros (8.6% of sales) in the same period of 2007. EBIT in the third quarter before restructuring charges, was 28.6 million euros (8.2% of sales), up in comparison with 27.2 million euros (8.5% of sales) in the first nine months of 2007. The growth in volumes in Latin America and emerging markets, which ensured full saturation of manufacturing capacity, and positive variations in price/mix, allowed the Company to compensate for the sustained increase in costs of manufacturing factors which occurred especially in the third quarter. Sales in the *Steelcord* segment were essentially stable with respect to the same period of the previous year.

Pirelli RE

Pirelli RE is an **alternative asset manager specialized in the real estate sector**, which manages funds and companies that own real estate and non-performing loans, in which it co-invests through minority stakes, aligning its interests with those of investors, and to which it offers all kinds of specialized real estate services, as well as to other third party clients. The Group's main activities are: identifying investment opportunities by type of product (residential, commercial and non-performing loans) and geographical market (Italy, Germany, Eastern Europe), managing assets, and providing specialized, quality services.

Pro-quota aggregate revenues in the first nine months of 2008 amounted to **938.3 million** euros, compared with 982.8 million euros as of 30 September 2007 (net of the DGAG effect). Consolidated revenues in the first nine months amounted to 527.1 million euros, compared with 523.5 million euros as of 30 September 2007 (net of the DGAG effect).

EBIT including results from equity participations before restructuring charges (of 17.6 million euros), in the first nine months of 2008 amounted to **33.1 million** euros (15.4 million euros post restructuring charges) compared with 141.2 million euros in the first nine months of 2007 (net of the DGAG effect), which included 42 million euros deriving from the sale of 49% of *Pirelli RE Facility* and 51.5 million euros of revaluations at fair value of real properties. As of 30

September 2008 property sales were declining and amounted to 714.5 million euros (1,186.6 million euros in the first nine months of 2007).

Consolidated net income in the first nine months of 2008 before restructuring charges stood at **breakeven**; the **total consolidated net result** was a **loss of 12.9 million** euros compared with a profit of 95.8 million euros in the first nine months of last year, including 90.1 million euros net deriving from the above mentioned transactions.

The **net financial position as of 30 September 2008** was **negative** for **323.8 million** euros, compared with 270.5 million euros as of 30 June 2008 and 289.7 million euros as of 31 December 2007.

In the **Residential Division**, EBIT including results from equity participations in the first nine months, before restructuring charges, was negative for 11.9 million euros compared with a negative result in the first nine months of 2007 of 1.1 million euros net of the temporary consolidation of DGAG. In the **Commercial Division (office buildings, stores, industry)**, EBIT including results from equity participations in the nine-month period, before restructuring charges, was positive for 35.7 million euros compared with a positive result as of 30 September 2007 equal to 96 million euros, including 51.5 million euros of revaluations at fair value, net of the temporary consolidation of DGAG. In the **Non-Performing Loan Division**, EBIT including results from equity participations in the first nine months amounted to 14.7 million euros, substantially aligned with the 15.5 million euros of the same period in 2007.

For further information on the performance of real estate activities please refer to the press release issued on 5 November by Pirelli & C. Real Estate.

Pirelli Broadband Solutions

As of 30 September 2008, **revenues** of **Pirelli Broadband Solutions**, the company in the Group which operates in the field of technology for broadband access, amounted to **92.3 million** euros, **up 6.5%** compared with the first nine months of 2007 (86.7 million euros).

EBIT was **positive** for **3.2 million** euros, **an improvement** over EBIT of 2 million euros in the same period of the previous year.

The **net result** was **positive** for **2.3 million** euros, compared with a negative figure of 0.5 million euros in the first nine months of 2007.

The **net financial position** of the company as of 30 September 2008 was **negative** for **32 million** euros.

Employees as of 30 September 2008 counted **113**.

In the first nine months of 2008 Pirelli Broadband Solutions registered a significant increase in revenues compared with the previous year thanks mainly to an increase in volumes of set-top-box sales, following completion of the range of products for IPTV (Internet Protocol Television). In terms of geographic positioning, the company is continuing to expand in Europe and has begun selling in some markets in the Eastern Europe as well as in South America. During the period, the product portfolio was further developed and consolidated, and is now made up of six different lines: residential and small business access gateway, set-top-boxes, extenders (products creating domestic broadband networks), terminals for fixed-mobile convergence and remote management systems. In the first part of the year, finally, Pirelli Broadband Solutions signed an agreement with Nokia Siemens for cooperation in the field of femtocells, a technology for development of 3G broadband communications in domestic environments.

Other businesses

The other businesses of the Group in the areas of **renewable energy (Pirelli Ambiente)**, **sustainable mobility (Pirelli Eco Technology)** and **fashion (Pirelli PZero)** registered as of 30 September 2008 **revenues** of **54.1 million** euros, **up 6.7%** compared with the first nine months of 2007 (50.7 million euros).

EBIT was negative for **11 million** euros (-5 million euros as of 30 September 2007), affected in particular by start-up costs for new manufacturing and sales activities for particulate filters.

Employees as of 30 September 2008 counted **201**.

Sales in this area were mainly from development of the **new line of business of particulate filters** for reduction of diesel vehicle emissions and sales of low environmental impact fuel Gecam-the “white diesel”, including in the French market through the Gecam France unit. In the period, sales of filter systems for light and heavy commercial vehicles continued in Italy, where Pirelli was the first to obtain homologation of five product lines, and sales began in some European countries (Benelux, Germany, United Kingdom). In China a pilot project is underway with some Beijing Municipality heavy vehicles. A new factory for particulate filters for original equipment is under construction in the County of Gorj, in Romania, which will be operative in the second half of this year.

Business activities continued in renewable energy production from waste (CDR-Q), in the photovoltaic sector, and in environmental recovery.

Prospects for the current year

For the full year 2008, taking also into account statements made on the occasion of publication of financial statements as of 30 June, the Company confirms expectations of consolidated EBIT before restructuring charges lower overall than in 2007. The size of the decline will be greater than what had been estimated at the end of the first half, in consideration of the further deterioration of markets of reference in the third quarter, also expected for the last part of the year.

Three-year plan 2009-2011

During today’s meeting, the Board of Directors established that the new **three-year plan 2009-2011** for the Pirelli & C. SpA Group will be presented to the financial community on **11 February 2009**.

Relevant facts which occurred after 30 September 2008

On 21 October 2008, the 500 million euro bond issued by Pirelli & C. SpA in 1998 at a fixed rate of 4.875% was reimbursed.

On 5 November 2008, the Board of Directors of Pirelli RE approved the sale of the shareholding in Pirelli RE Integrated Facility Management BV (a 50/50 joint-venture between Intesa Sanpaolo and Pirelli RE) to Manutencoop Facility Management. The economics of the transaction, and in the particular the price, will be announced once some conditions precedent have been satisfied. The closing of the transaction, once all conditions precedent are satisfied, is expected within year end, subject to Antitrust approval. The enterprise value is 270 million euros.

On 6 November 2008, Pirelli & C. SpA and Russian Technologies signed an agreement whereby the new industrial joint-venture between the two companies, whose details are currently being finalized, will begin production of tyres in Russia before the end of 2010. The agreements signed between the two companies to date include the construction of a new

industrial complex for production of car and truck tyres in the Russian region of Samara. The facility will have initial annual manufacturing capacity of about 4.2 million units, for a joint investment of about 300 million euros.

Bonds maturing in the 18 months following 30 September 2008

On 7 April 2009, the bond loan with value of 150 million euros issued by Pirelli & C. SpA in 1999 at a fixed rate of 5.125% will expire.

Conference call

The results of operations as of 30 September 2008 will be illustrated today at 2:00 p.m. CET during a conference call in which the Chairman of Pirelli & C. SpA, Marco Tronchetti Provera, and the Group's top management, will intervene. Journalists will be able to follow the presentation by telephone, without the possibility to ask questions, by calling the number **+39 06 33485042**.

The presentation will also be available via webcast – in real time – on the website www.pirelli.com, in the Investor Relations section, where it will be possible to consult the slides.

Calendar of corporate events 2009

The following is a calendar of board of directors' and shareholders' events for 2009.

10 March 2009: Board of Directors' meeting for review of financial statements and consolidated financial statements as of 31 December 2008.

20 April 2009 (first call), **21 April 2009** (second call): Shareholders' meeting for approval of financial statements.

7 May 2009: Board of Directors' meeting for review of consolidated financial statements for the first quarter of 2009 (intermediate financial statements as of 31 March 2009).

30 July 2009: Board of Directors' meeting for review of financial statements as of 30 June 2009.

5 November 2009: Board of Directors' meeting for review of consolidated financial statements for the third quarter of 2009 (intermediate financial statements as of 30 September 2009).

The intermediate financial statements as of 30 September 2008 contain information relating to the Company's full adaptation to the provisions of article 36 of Consob Regulation 16191/2007.

The Manager mandated to draft corporate accounting documents of Pirelli & C. S.p.A., Claudio De Conto, declares – as per art. 154-bis, comma 2 of the Testo Unico della Finanza – that the accounting information contained in this press release corresponds to the documented results, books and accounting registers.

In this press release, in addition to the financial performance measures established by IFRS, certain non-IFRS measures originated from the latter are presented although they are not required by IFRS ("Non-GAAP Measures"). These performance measures are presented for purposes of a better understanding of the trend of operations of the Group and should not be construed as a substitute for the information required by IFRS. Specifically, the "Non-GAAP Measures" used are described as follows:

Gross operating profit (EBITDA): this financial measure is used by the Group as the financial target in internal business plans and in external presentations (to analysts and investors). It represents a useful unit of measurement for the evaluation of the operating performance of the Group as a whole and for each single segment, in addition to the Operating Income. The Gross Operating Profit is an intermediate performance measure represented by the Operating Income from which depreciation and amortization are subtracted.

Results from participations: results from participations consists of all the effects recorded in the income statement referring to investments that are not consolidated line-by-line. These include dividends, the share of the earnings (losses) of companies accounted for using the equity method, impairment losses of available-for sale financial assets and gains (losses) on the disposal of available-for-sale financial assets. Movements in the fair value of assets available-for-sale that are recognized directly in equity are excluded.

Net financial position: this performance measure is represented by the gross financial debt less cash and cash equivalents as well as other interest-earning financial receivables.

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In order to allow for more complete information on the results obtained as of 30 September 2008, attached are summary consolidated figures included in the interim financial report. It should be noted that these figures are not subject to verification by the auditing company.

Attachment 1

PIRELLI & C. S.p.A. GROUP					
(million euros)					
	3rd Q 2008	3rd Q 2007	30/09/2008	30/09/2007	31/12/2007
Revenues	1,213.3	2,036.6	3,898.6	5,229.2	6,499.9
Revenues (excluding DGAG deconsolidation)	1,213.3	1,283.3	3,898.6	3,946.0	5,204.3
EBITDA (before restructuring charges)	85.2	129.6	402.0	456.1	593.9
% on revenue (excluding DGAG deconsolidation)	7.0%	10.1%	10.3%	11.6%	11.4%
EBIT (before restructuring charges)	30.1	76.0	241.6	297.3	381.3
% on revenue (excluding DGAG deconsolidation)	2.5%	5.9%	6.2%	7.5%	7.3%
Restructuring charges	(28.1)	-	(49.3)	-	-
EBIT	2.0	76.0	192.3	297.3	381.3
% on revenue (excluding DGAG deconsolidation)	0.2%	5.9%	4.9%	7.5%	7.3%
Result from equity participations	9.7	37.3	(82.7)	164.8	195.3
EBIT incl. result from eq. part. before restructuring charges	39.8	113.3	158.9	462.1	576.6
EBIT incl. result from eq. part.	11.7	113.3	109.6	462.1	576.6
Financial charges/income	(12.4)	(52.1)	(39.0)	(133.3)	(137.8)
Tax charges	(26.1)	(30.4)	(94.8)	(109.6)	(133.5)
Net result businesses in operation	(26.8)	30.8	(24.2)	219.2	305.3
% on revenue (excluding DGAG deconsolidation)	(2.2%)	2.4%	(0.6%)	5.6%	5.9%
Net result discontinued operations	-	14.2	(12.1)	24.1	18.3
Total net result	(26.8)	45.0	(36.3)	243.3	323.6
Net profit attributable to Pirelli & C. S.p.A.	(15.1)	21.6	(51.3)	129.8	164.5
Attributable net profit per share (in euro)			(0.010)	0.024	0.031
Shareholders' equity			2,809.0	4,665.1	3,804.1
Shareholders' equity attributable to Pirelli & C. S.p.A.			2,499.6	3,858.3	2,980.2
Shareholders' equity per share (in euro)			0.466	0.719	0.555
Net financial position (assets)/liabilities			1,055.7	2,328.8	(302.1)
R&D investments			123	130	173
Employees (at the end of the period)			31,682	31,502	30,813
Number of plants			24	24	24
Pirelli & C. shares in circulation					
ordinary (n. million)			5,233.1	5,233.1	5,233.1
treasury shares			2.6	2.6	2.6
savings (n. million)			134.8	134.8	134.8
treasury shares			4.5	-	-
Total shares			5,367.9	5,367.9	5,367.9

BUSINESSES IN OPERATION	30.09.2008					
	Tyre	Real Estate	Broadband	Others activities	Others	TOTAL
(million euros)						
Revenues	3,229.2	527.1	92.3	54.1	(4.1)	3,898.6
EBITDA (before restructuring charges)	378.3	38.3	3.8	(10.2)	(8.2)	402.0
EBIT (before restructuring charges)	231.8	30.0	3.2	(11.0)	(12.4)	241.6
Restructuring charges	(31.7)	(17.6)	-	-	-	(49.3)
EBIT	200.1	12.4	3.2	(11.0)	(12.4)	192.3
Result from equity participations	27.6	3.0	-	(0.7)	(112.6)	(82.7)
EBIT incl. result from eq. part. before restructuring charges	259.4	33.0	3.2	(11.7)	(125.0)	158.9
EBIT incl. result from eq. part.	227.7	15.4	3.2	(11.7)	(125.0)	109.6
Financial charges/income	(43.0)	(13.8)	(1.3)	(1.3)	20.4	(39.0)
Tax charges	(76.4)	(12.2)	0.4	(0.2)	(6.4)	(94.8)
Net result businesses in operation	108.3	(10.6)	2.3	(13.2)	(111.0)	(24.2)
Net result discontinued operations			(10.9)		(1.2)	(12.1)
Net result						(36.3)
Net financial position (assets)/liab.	892.4	323.8	32.0	17.2	(209.7)	1,055.7

BUSINESSES IN OPERATION	30.09.2007					
	Tyre	Real Estate	Broadband	Others activities	Others	TOTAL
(million euros)						
Revenues	3,191.8	1,895.7	86.7	50.7	4.3	5,229.2
Revenues (excluding DGAG)		612.5				3,946.0
EBITDA	430.6	33.3	2.7	(4.5)	(6.0)	456.1
EBIT (before restructuring charges)	286.2	26.1	2.0	(5.0)	(12.0)	297.3
Restructuring charges					0.0	0.0
EBIT	286.2	26.1	2.0	(5.0)	(12.0)	297.3
Result from equity participations	0.4	137.9	-	-	26.5	164.8
EBIT incl. result from eq. part. before restructuring charges	286.6	164.0	2.0	(5.0)	14.5	462.1
EBIT incl. result from eq. part.	286.6	164.0	2.0	(5.0)	14.5	462.1
Financial charges/income	(43.2)	(40.5)	(2.5)	(0.3)	(46.8)	(133.3)
Tax charges	(83.4)	(21.0)	-	-	(5.2)	(109.6)
Net result businesses in operation	160.0	102.5	(0.5)	(5.3)	(37.5)	219.2
Net result discontinued operations			(12.1)		36.2	24.1
Net result						243.3
Net financial position (assets)/liab.	687.0	337.4	37.6	12.8	1,254.0	2,328.8