



PRESS RELEASE

**PIRELLI SELLS BROADBAND SOLUTIONS TO ADB
FOR APPROXIMATELY 30 MILLION EUROS.**

**THE CONSIDERATION IS NET OF PBS RESERVES OF 8.6 MILLION EUROS
ALREADY DISBURSED TO PIRELLI IN SEPTEMBER**

Milan, 21 October 2010 – Pirelli & C and Advanced Digital Broadcast Holdings (ADB), a company quoted on the Swiss stock exchange, today signed an agreement which entails the acquisition by ADB of the entire capital of Pirelli Broadband Solutions SpA (PBS), a company 100%-owned by Pirelli & C.

The total consideration was agreed at approximately 30 million euros and is net of reserves of 8.6 million euros disbursed by PBS to Pirelli & C. last September. The price negotiated, which will be transferred at the closing, consists of 22 million euros in cash and 400,000 ADB shares, corresponding to approximately 7.2% of share capital. With regard to these shares, Pirelli & C. has undertaken a lock-up commitment for the first two months following the closing, as well as a put option for Pirelli & C. and a call option for ADB, which can be exercised within two years. The closing is expected to take place once the transaction has been cleared by the relevant Antitrust authority.

PBS's disposal is part of Pirelli's stated strategy of focusing on its core Tyre business. Its sale to a leading industrial company is intended to ensure the continued growth and development of PBS within the broadband access systems market.

Pirelli has been advised by Lazard&C and Labruna Mazziotti Segni.

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