



PRESS RELEASE

MEETING OF PIRELLI & C. SPA SHAREHOLDERS:

- **2010 RESULTS APPROVED**
- **DIVIDENDS APPROVED: 0.165 EURO PER ORDINARY SHARE, 0.229 EURO PER SAVINGS SHARE**
- **NEW BOARD OF DIRECTORS NOMINATED**
- **NEW GENERAL REMUNERATIONS POLICY VOTED IN**
- **MODIFICATIONS TO BYLAWS AND CANCELLATION OF ASSIGNMENT RESERVE APPROVED**

PIRELLI & C. SPA BOARD OF DIRECTORS MEETING:

- **MARCO TRONCHETTI PROVERA CHAIRMAN AND CHIEF EXECUTIVE OFFICER; VITTORIO MALACALZA AND ALBERTO PIRELLI DEPUTY CHAIRMEN**
- **GOVERNANCE FURTHER STRENGTHENED THROUGH THE INSTITUTION OF STRATEGIES COMMITTEE, AND NOMINATIONS AND SUCCESSIONS COMMITTEE**
- **CARLO SECCHI CONFIRMED AS LEAD INDEPENDENT DIRECTOR**

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BOARD MEETING TO REVIEW RESULTS FOR THE 3 MONTHS TO 31 MARCH BROUGHT FORWARD TO 4 MAY

Milan, 21 April 2011 – The **Shareholders of Pirelli & C. SpA** met today in ordinary and extraordinary session.

In the ordinary session, Shareholders **approved results** for the year **2010**, which closed with a **consolidated net profit** of **4.2 million** euros and a Parent Company net profit of 87.4 million euros, and the distribution of dividends of **0.165 euros per ordinary share** and **0.229 euros per savings share**. The **payment date** is **26 May 2011 (ex-dividend date 23 May 2011)**.

Shareholders then established that the **duration** of the entire **Board of Directors** will be **three years** (until the approval of results to 31 December 2013) and determined that the **number of board members** will be **20**, of whom **11 independent**. The **annual gross compensation** for the entire Board is set at **1.7 million** euros.

On the basis of the lists presented, the following people were **nominated directors** of Pirelli & C. SpA:

Marco Tronchetti Provera
Vittorio Malacalza
Alberto Pirelli
Carlo Acutis (*independent*)
Anna Maria Artoni (*independent*)
Gilberto Benetton
Alberto Bombassei (*independent*)
Luigi Campiglio (*independent*)
Enrico Tommaso Cucchiani
Paolo Ferro Luzzi (*independent*)
Giulia Maria Ligresti
Massimo Moratti
Renato Pagliaro
Giovanni Perissinotto
Luigi Roth (*independent*)
Carlo Secchi (*independent*)

The above were chosen from the majority list (voted by about 84,0% of the capital represented at the shareholders' meeting) presented by Camfin, Mediobanca, Edizione, Fondiaria-Sai, Allianz, Assicurazioni Generali, Intesa Sanpaolo, Sinpar and Massimo Moratti, belonging to the shareholder syndicate of Pirelli & C. SpA

Franco Bruni (*independent*)
Elisabetta Magistretti (*independent*)
Francesco Profumo (*independent*)
Pietro Guindani (*independent*)

The above were chosen from the minority list (voted by about 15.6% of the capital represented at the shareholders' meeting) presented by a group of fund manager companies and international institutional investors.

The curricula of the directors can be seen online at www.pirelli.com.

Shareholders also voted in favour of the Group's General Policy of Remuneration, containing the guidelines for the definition of the remuneration of executive directors and management in general.

The Board decided that the remuneration structure will be submitted to shareholders for review one year earlier than required by law.

In the extraordinary session, in conclusion, Shareholders decided to modify the company's bylaws in order to introduce into them some powers foreseen by the legislature when Italy adopted European community directives regarding the rights of shareholders in listed companies (shareholders' rights directives). Also during the extraordinary session,

shareholders approved the voluntary reduction of company capital by 32,498,345.12 euros, in accordance with article 2445 of the civil code to attribute to net assets. This reduction is aimed at the completion of the operation of assignment of Prelios SpA shares (formerly Pirelli RE SpA) carried out during 2010 and does not entail any reduction of company capital, the amount of the reduction being destined to net assets cancelling the negative reserve generated at the conclusion of the operation of assignment. It is expected that the reduction will be finalized by August 2011, once the terms called for by law are met.

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At the conclusion of the Shareholders' Meeting, the new **Board of Directors of Pirelli & C. SpA** met, nominating **Marco Tronchetti Provera Chairman and Chief Executive Officer**, and **Vittorio Malacalza and Alberto Pirelli Deputy Chairmen**.

The Board of Directors also nominated the new members of the **Remunerations Committee** (Carlo Acutis, Chairman; Anna Maria Artoni; Pietro Guindani; Luigi Roth) and the **Committee for Internal Control, Risk and Corporate Governance** (Carlo Secchi, Chairman; Franco Bruni; Paolo Ferro Luzzi; Elisabetta Magistretti; Luigi Roth). The Board of Directors then instituted two new committees: The Committee for Nominations and Successions, and the Strategies Committee. In particular, the **Committee for Nominations and Successions** (composed of Marco Tronchetti Provera, Chairman; Vittorio Malacalza; Luigi Campiglio; Luigi Roth) will have, among other things, the task of identifying the criteria for the definition of succession plans for the top and senior management with the aim of guaranteeing continuity in the business's strategies. The **Strategies Committee** (composed of Marco Tronchetti Provera, Chairman; Franco Bruni; Vittorio Malacalza; Renato Pagliaro; Francesco Profumo; Carlo Secchi; Francesco Gori; Francesco Chiappetta) will support the Chief Executive Officer and the Board of Directors as a whole in the definition of the strategic guidelines of the business, as well as the definition of the conditions and terms for operations, including extraordinary ones, of great strategic importance.

Carlo Secchi confirmed as **Lead Independent Director**.

The Board of Directors also determined, on the basis of available information and the statements of those concerned, the existence of the requisites of independence (both in accordance with legislative decree 58/1998 and the Code of Self-Regulation for listed companies) for all eleven independent directors (Carlo Acutis, Anna Maria Artoni, Alberto Bombassei, Luigi Campiglio, Paolo Ferro Luzzi, Luigi Roth, Carlo Secchi, Franco Bruni, Elisabetta Magistretti, Francesco Profumo e Pietro Guindani).

The Board of Directors, in conclusion, saw to the nomination, as foreseen in Organizational Model 231 adopted by the Company, of a new **Vigilance Body**, which will remain in force until the end of the mandate of the present Board of Directors. The following people have been asked to be members of the Vigilance Body: Carlo Secchi (independent administrator), Paolo Domenico Sfamini (Standing Auditor) and Maurizio Bonzi (director of Pirelli & C. SpA internal audit).

Francesco Tanzi, the group's financial director, was confirmed manager with responsibility for the preparation of the company's financial documents.

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The Board of Directors meeting for the review of intermediate results for the 3 months ended 31 March 2011, it is announced, will be held on Tuesday 4 May and no longer on 6 May as previously announced.

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The documentation relative to the 2010 results is available to the public at the Company's Milan headquarters, at Viale Piero e Alberto Pirelli n. 25, and at Borsa Italiana SpA, as well as online at www.pirelli.com.

The minutes of the shareholders' meeting will be made available to the public in the same manner by 20 May.

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