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## **PRESS RELEASE**

- **CAPITAL INCREASE SUCCESSFULLY CONCLUDED, AFTER FULL SUBSCRIPTION OF REMAINING RIGHTS OFFERED ON THE STOCK EXCHANGE**
- **N° 1,517,672,178 ORDINARY SHARES WERE SUBSCRIBED; UNDERWRITING SYNDICATE ACTION WAS NOT NECESSARY**
- **NEW SHARE CAPITAL OF PIRELLI & C. SPA IS COMPOSED BY N° 5,315,295,185 SHARES WITH A PAR VALUE OF 0.52 EUROS EACH; ITS VALUE IS 2,763,953,496.20 EUROS**

*Milan, 17 March 2005* – The Pirelli & C. SpA capital increase, approved by the Company extraordinary Shareholders' Meeting on 21 January 2005, has been concluded with total success. During the offer on the Stock Exchange of the option rights not previously exercised – in the trading sessions from 7 to 11 March 2005 – further n° 8,118,858 new ordinary shares have been subscribed.

The operation has been therefore concluded with the full subscription of n° 1,517,672,178 new ordinary shares issued at the price of 0.70 euros each, for an overall amount of 1,062,370,524.60 euros. The action of the underwriting syndicate promoted, arranged and directed by Banca Caboto SpA (Intesa Group), JPMorgan, MCC SpA – Capitalia Gruppo Bancario, Mediobanca SpA and UBM was not necessary.

The value of new share capital of Pirelli & C. SpA is now (including also a further increase following the requests of Warrants Pirelli & C. ordinary shares 2003-2006 exercise, presented last February) 2,763,953,496.20 euros, composed by n° 5,315,295,185 shares with a par value of 0.52 euros; of these, n° 5,180,530,756 are ordinary shares and n° 134,764,429 are savings shares.

The Pirelli & C. Shareholders' Agreement subscribed overall 691,025,860 new ordinary shares (corresponding approximately to 45.5% of the offer and to 13% of the new share capital). Moreover, Cam Finanziaria SpA subscribed, also

through companies it controls, further 95,729,764 shares (corresponding approximately to 6.3% of the offer and to 1.8% of the new share capital).

By adding shares subscribed following the capital increase to those it already owned before, Camfin consequently owns – directly or through companies it controls – 1,315,216,673 ordinary shares, corresponding to approximately 25.4% of the new ordinary share capital, of which a 19% is conferred in Pirelli & C. SpA Shareholders' Agreement.

Pirelli & C. Shareholders' Agreement owns overall 2,418,590,510 ordinary shares, corresponding to approximately 46.7% of the new ordinary share capital.

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