

**PIRELLI & C. SOCIETÀ PER AZIONI**  
**ORDINARY SHAREHOLDERS' MEETING, 21 APRIL 2009**

The business of the ordinary shareholders' meeting of **PIRELLI & C. S.p.A. (Joint Stock Company)** commences at 10:38 am on 21 April 2009 at Viale Sarca no. 214, Milan.

**Dr. Marco Tronchetti Provera** takes the chair of the meeting in accordance with the company bylaws and, with the unanimous agreement of those present, calls upon Prof. Carlo Marchetti to perform the functions of secretary to the meeting.

The **Chairman** first of all announces that:

- the Shareholders' Meeting is called to discuss and vote on the following

**Agenda**

**Ordinary Session**

1. Financial statements at 31 December 2008. Related and consequent resolutions.
2. Appointment of the Board of Statutory Auditors
  - appointment of the standing and alternate auditors;
  - appointment of the Chairman of the Board of Statutory Auditors;
  - determination of the remuneration of the members of the Board of Statutory Auditors.

**Extraordinary Session**

*(Omission)*

- the notice of convening the Shareholders' Meeting was published in the Official Gazette of the Italian Republic no. 31 of 17 March 2009;
- the notice of convening was also published, again on 17 March 2009, in Il Sole 24 Ore, in Milano Finanza and in Finanza & Mercati;
- no request has reached the Company for additions to the Agenda, pursuant to Article 126-bis of Legislative Decree no. 58/1998;

- the Shareholders' Meeting, which was convened on the first call on 20 April 2009, was not quorate because an insufficient number of shares was represented, as per the report that will be recorded in the Shareholders' Meeting minute book;
- the share capital is 1,556,692,865.28 Euros, divided into 5,367,906,432 shares with a par value of 0.29 Euro per share, of which 5,233,142,003 are ordinary shares and 134,764,429 are savings shares;
- as of today's date, the Company holds 3,867,500 of its own ordinary shares as well as 4,491,769 savings shares;
- at 10:40 a.m. the total number of shareholders attending the Meeting for the purposes of its being validly constituted is 279 in person or by proxy, representing 2,930,646,230 ordinary shares. Those attending the meeting are thus holders of a total of 56.001657% of the ordinary shares.

The **Chairman** therefore determines and gives notice that the Meeting is regularly constituted first of all in ordinary session, and can discuss and vote on the matters on the Agenda, and he continues by announcing that:

- the documentation relating to the various matters on the agenda has been the subject of the publicity arrangements provided for by the applicable rules, and has also been publicised on the Company's website; in particular, the binder containing the Company's draft financial statements and the consolidated financial statements as at 31 December, together with the corresponding report of the Directors and the reports on all the further points on the agenda, were made available to the public at the Company's registered office and at the Borsa Italiana on 31 March 2009. The reports of the Board of Statutory Auditors and of the external auditing firm were filed, with the same procedures, on 3 April 2009. The above-mentioned documentation, as mentioned above, has also been published on the Company's website;
- the same documentation is contained in the printed financial statements binder distributed at the entrance (including, among other things, the proposed resolutions drafted by the Board of Directors); this binder, which also contains the 2008 Sustainability Report and the annual Corporate Governance Report, was also sent last 16 April to those shareholders of Pirelli & C. S.p.A. who attended one of the last three Shareholders' Meetings and to those who had requested it;
- at the entrance a binder was handed out showing the single slate of candidates for the office of member of the Company's Board of Statutory Auditors, presented by the Shareholders, containing the information and the documentation specified by Article 144-*octies* of Consob resolution 11971/99; the same document, in accordance with the above-mentioned Consob resolution, was made available to the

public at the Company's registered office, at the Borsa Italiana and on the Company's website on 6 April 2009;

- on 3 April 2009 the financial statements of the subsidiary companies and the essential data connected with them were also filed at the Company's registered office;

- according to the entries in the Shareholders' Register supplemented by the communications received under Article 120 of Legislative Decree no. 58/1998 and other available information, the following possess shares with voting rights amounting to more than 2% of the ordinary capital:

		<b>Number of shares</b>	<b>% of capital in ordinary shares</b>
1	<b>MARCO TRONCHETTI PROVERA</b>  of which 13,764 shares (0%) are owned directly, and indirectly through . Camfin SpA 1,369,504,398 shares (26.17%) . Cam Partecipazioni 1,217,398 shares (0.02%)	<b>1,370,735,560</b>	<b>26.19</b>
2	<b>ASSICURAZIONI GENERALI S.p.A.</b> of which 113,926,593 shares (2.18%) are owned directly, and indirectly through . Ina Assitalia SpA 104,949,245 shares (2.00%) . Generali Vie S.A 57,400,000 shares (1.10%) . Toro Assicurazioni SpA 8,923,725 shares (0.17%) . Alleanza Assicurazioni SpA 964,282 shares (0.02%) . Intesa Vita SpA 842,952 shares (0.02%) . Genertel Life SpA 38,640 shares (0%)	<b>287,045,437</b>	<b>5.49</b>
3	<b>EDIZIONE S.r.l.</b>	<b>249,756,728</b>	<b>4.77</b>

4	<b>MEDIOBANCA S.p.A.</b>	<b>241,144,264</b>	<b>4.61</b>
5	<b>PREMAFIN FINANZIARIA S.p.A.</b> of which indirectly through . Fondiaria - S.A.I. SpA 236,072,874 shares (4.51%) . Milano Assicurazioni SpA 1,325,996 shares (0.03%) . Popolare Vita SpA 149,332 shares (0%)	<b>237,548,202</b>	<b>4.54</b>
6	<b>ALLIANZ SE</b> of which indirectly through . Allianz SpA 236,391,434 shares (4.52%) . Creditras SpA 65,000 shares (0%)	<b>236,456,434</b>	<b>4.52</b>

- 3,867,500 ordinary shares, equal to about 0.07% of the capital in ordinary shares, are also owned by Pirelli & C. S.p.A. itself, while there are no Pirelli & C. S.p.A. shares held by subsidiary companies;
- the list of names of shareholders attending the meeting will be available at the entrance to the hall as soon as it is printed and will later be attached to the minutes.

The **Chairman**, again:

- invites shareholders to kindly indicate any lack of valid voting rights under the terms of the current legislation;
- indicates, with reference to the existence of shareholders' agreements in terms of Article 122 of Legislative Decree no. 58/1998, that there is a Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate. The following shareholders are parties to the agreement; the percentage holding of the ordinary shares issued is indicated for each of them:

	Number of shares held	% of total ordinary shares issued

CAMFIN S.p.A.	1,063,360,850	20.32
MEDIOBANCA S.p.A.	241,144,264	4.61
EDIZIONE S.r.l.	241,135,003	4.61
FONDIARIA - SAI S.p.A.	231,355,374	4.42
ALLIANZ S.p.A.	230,749,971	4.41
ASSICURAZIONI GENERALI S.p.A. (of which 57,400,000 shares are held through Generali Vie S.A. and 82,779,265 through Ina Assitalia S.p.A. )	230,749,965	4.41
INTESA SANPAOLO S.p.A.	84,519,252	1.62
Massimo MORATTI (of which 37,420,339 shares are held through CMC S.p.A. and 13,435,544 registered in trust in the name of Istifid S.p.A. )	62,407,310	1.19
SINPAR S.p.A.	33,168,521	0.63
<b>Total</b>	<b>2,418,590,510</b>	<b>46.22</b>

- indicates that in addition to the **Chairman** himself, there are present the Directors Carlo Alessandro Puri Negri and Alberto Pirelli (Vice Chairmen), Carlo Acutis, Alberto Bombassei, Franco Bruni, Luigi Campiglio, Luigi Roth and Carlo Secchi; also present are all the Statutory Auditors; representatives of the external auditing firm and of organs of information, and financial experts and analysts, as well as staff employed in the running of the business of the meeting, and the common representative of the holders of savings shares, Avvocato Giovanni Pecorella;

- recalls also that the financial statements binder includes the current texts of the Regulations for Shareholders' Meetings (page 163 and following) and of the Company Bylaws (page 120 and following);
- in order to allow all those present who wish to take part in the debate to do so, availing himself of his legal powers and the Regulations for Shareholders' Meetings, he sets 15 minutes as the maximum length of speeches, asking shareholders to respect this time-limit, in order for the business of the meeting to proceed in an orderly and correct fashion, and to keep their interventions relevant to the point under discussion at the time;
- he further invites shareholders who intend to address the meeting on the various matters on the Agenda to book in advance, using the form for the purpose which was handed out at the entrance. When called upon to speak, shareholders are requested to go to the microphone located to the right of the Chair, and avoid making speeches from the floor, in order to allow everyone to hear clearly;
- the **Chairman** also informs the meeting that recording equipment is being used in order to facilitate minute-taking, and that there is a simultaneous translation service from Italian to English and vice versa (headphones are available at the entrance to the hall);
- he states that personal data gathered by means of the recording process, and also during accreditation for participation in the proceedings, will be used solely for the purposes of the proper conduct of the meeting and for minute-taking. All data will be treated in accordance with the regulations on privacy;
- he reminds the meeting that audio and video recording of the meeting by shareholders is not permitted;
- he informs those present that in order to facilitate the proceedings of the meeting, the Company is using a special computerised system for detecting the presence of participants and for voting purposes. Before moving on to deal with the subjects on the Agenda, the **Chairman** explains with the help of a slideshow the new procedures for handling the votes, which was first used at the Shareholders' Meetings in December 2007 and April 2008, informing shareholders as follows:
  - a special electronic apparatus was handed out at the entrance, called a Televoter, in which is stored a code identifying the shareholder and the shares in his or her possession. As well as the Televoter, a notice was handed out containing instructions for the use of this apparatus;
  - all voting will take place using the Televoter;
  - once the voting procedure has been declared open on each matter on the agenda, shareholders will be invited to press the "F" key on the Televoter to express a vote in favour, or the "C" key to express a contrary vote, or else the "A" key to express their abstention from voting; at this point – before

pressing the “OK” key – shareholders are still able to alter the choice they have made, simply by pressing the key for the new choice which they intend to make;

- after then checking on the display the correctness of the choice they have made, shareholders should press the “OK” key on the Televoter to express their final vote, which will be confirmed on the display.

From this moment the vote which they have expressed is no longer alterable, except by going to the “assisted voting” position near the dais;

- those who do not vote or do not confirm their vote with the OK key will be classified as “NOT VOTING”;

- the votes in favour and against and the abstentions which are thus expressed, and those not voting, will be automatically recorded, and reported and analysed in the appendix to the minutes of the Meeting;

- shareholders holding proxies who intend to vote diverse ways with different shares within the total portfolio of shares which they represent, should use the special station previously referred to, marked “assisted voting”.

The **Chairman** then:

- asks shareholders not to leave the hall and not to enter it during the votes, to allow the numbers of people present to be correctly counted;

- reminds the meeting again that the procedure for using the Televoter is described in detail in the document handed out at reception, and that there are anyway staff in the hall who can give assistance where necessary;

- announces that the Televoter will also be used for sensing attendance every time anyone enters or temporarily leaves the hall, and that it must be returned to the relevant staff if leaving the meeting early or at its conclusion;

- since the documentation for all the items on the Agenda has been made available to the public (including by means of the internet), and also sent to everyone who attended one of the last three shareholders’ meetings, as well as being handed out at the entrance to the hall, he announces that, as usual, the reading of the Agenda will be omitted.

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Moving on to deal with the first item on the agenda, namely the **Financial Statements as at 31**

**December 2008 - related and consequent resolutions, the Chairman:**

- announces that the fees of the external auditors Reconta Ernst & Young S.p.A. were as follows:

- for auditing the financial statements of Pirelli & C. S.p.A. for the financial year 2008: 60,000 Euros for a total of 1,423 hours;
- for auditing the consolidated financial statements of the Gruppo Pirelli & C. S.p.A.: 115,000 Euros for a total of 1,598 hours;
- for the limited audit of the interim consolidated financial statements of Pirelli & C. S.p.A. as at 30 June 2008: 60,000 Euros for a total of 865 hours;

- states that the times and remuneration for auditing the accounts for the financial year also include those relating to the activities specified in Article 155, paragraph 1, letter a) of Legislative Decree no. 58/1998, concerning verification during the course of the financial year that proper company books were being kept and that the company's affairs were being correctly recorded in the books of account. The aforementioned fees do not include direct expenses and secretarial costs, which must be added to the cost;

- informs shareholders that before the Meeting, the Board of Directors has met and approved the interim management report on operations as at 31 March 2009 and the press release in course of transmission to Consob, the Borsa Italiana and press agencies in accordance with current legislation; he states in this connection that he will therefore proceed to summarise the salient points of the press release as soon as the latter is duly distributed;

- he then opens the discussion, urging shareholders to keep their speeches relevant to the point under discussion and reminding them that the time available to each speaker is limited to 15 minutes.

Shareholder **Rimbotti** says that he is speaking, as he habitually does, "for the common good", and states first of all that he has recently increased his shareholding both in Pirelli & C. and in Pirelli & C. Real Estate ("Pirelli RE"), to demonstrate his faith in the Group.

Reviewing some of the data in the financial reports, he emphasises that revenues in the consolidated financial statements fell by about 23.8% between 2007 and 2008, while the results for the parent company, which showed a profit in 2007, reveal a loss for 2008 of 347 million Euros. The ratio between intangible fixed assets and net equity has grown from 17.7% in 2007 to 44.06% in 2008; this ratio, he stressed, seems to have become excessively large: he asks what were the principal entries which have increased intangible fixed assets.

He observes that the contraction in the results for the period by comparison with 2007 appears to be considerably larger in the consolidated financial statements than in the year-end financial statements, and asks the reasons for this.

He then refers to the details on page 40 and following of the financial statements binder relating to the entry “risks and uncertainties”, and asks for more information. Again, he states that the Board of Directors met only four times during the year, of which three were after the shareholders’ meeting in April 2008: he asks why on earth there was such a low frequency of meetings, pointing out also that two directors, Gilberto Benetton and Enrico Cucchiani, only attended 33% of the meetings.

As for the shareholdings held by the Company, he observes that this is an item that has been particularly damaging this year: he says that he attended the shareholders’ meeting of Pirelli RE, and on that occasion had hoped for more innovative management, more directed towards the international market. He then speaks about the stake in RCS Mediagroup, and points out that this shareholding has led to a loss of 70-72 million Euros. In his opinion, the senior management in that company was made up of sound people, but selected by a shareholders’ agreement which is perhaps more preoccupied with calm and stability than anything else. He criticises in particular the current policy of staff reductions (journalists, freelancers, correspondents etc.), believing that it is precisely the staff who constitute the strength of the company, and that therefore a dynamic and active senior management should invest in its greatest asset, its workers. He hopes, in this connection, that the new editor of Corriere della Sera, Ferruccio De Bortoli, will be able to reverse the downward trend in sales, and that he will be given the tools to do the job. Sales of Gazzetta dello Sport, on the other hand, are holding up, thanks to the loyalty of its many readers.

Still on the subject of RCS MediaGroup in which the Company holds a stake, he goes on to point out a series of organisational malfunctions, such as for example the fact that a subscription is only activated a good 28 days after the payment has been made. He says that he has actually cancelled a series of subscription to RCS magazines precisely because of huge delays in delivery. The representatives of Pirelli & C. on the RCS board ought therefore to take action to improve the way the company operates: he asks, while on the subject, what impact they have managed to have over the course of the year.

He concludes his remarks by repeating that, broadly speaking, the negative figures in the financial statements of Pirelli & C. derive in large measure from the performance of the companies in which it has a stake, and stresses that it therefore seems necessary to create a proper task force dedicated to those companies.

The **Chairman** then takes the floor again, to read out the press release which has just been issued concerning the Group quarterly consolidated data as at 31 March 2009, a copy of which is being distributed to the shareholders present.

Shareholder **Borlenghi**, refers to the very difficult situation which the world economy is in, and observes that a particularly negative impact on the financial results had been caused by the costs of restructuring, which amount to 144 million Euros, in addition to the 136 million Euros of depreciation of property and financial assets, all elements resulting from the unfavourable market scenario.

Looking at volume, however, an increase is recorded both in Europe and in North America in production costs, and in particular in the cost of raw materials: he asks whether the Chairman shares the view that the recession will be finished by the end of next July. Finally, he asks what are the prospects for the year in progress, and announces his intention of casting a favourable vote.

Shareholder **Cini** shows the meeting a booklet which in 1922 already testified to the reputation of the Pirelli brand; he observes that the value of the shares is now lower than their par value, and that the total capitalisation today is that of a medium-sized company.

He refers to an article which recently appeared in the press, on hypothetical relations between Generali and Pirelli RE, and asks for a comment. He then speaks about the associated company Pirelli RE, and reminds the meeting that Pirelli & C. has only recently increased its shareholding, buying shares at considerably higher prices than their current value. He asks the reasons for these purchases, wondering what value can be ascribed to Pirelli RE: from what was said at the recent shareholders' meeting, it ought to be worth about 800 million Euros, compared with a current value of about 170 million Euros. Still on the same topic, he complains about the completion of some very risky transactions, such as for example the investments made in Germany with a very high level of financial leverage.

He then recalls the vast depreciation which had been brought about in Telecom Italia shares, observing that they were sold at much lower prices than the purchase prices, and he asks whether the Chairman still has the shares which he personally had bought.

The shareholder then moves on to the operation to repurchase the minority shares in Pirelli Tyre. He asks the reasons why a higher price was paid than the shares had fetched at the time of their sale, and why the Company had not simply waited for the expiry of the agreement which had been signed with the banks. He asks for more information on the intra-group finance provided by Pirelli & C. and indicated in the financial statements, and asks the reason why Pirelli & C. Ambiente, which has been active now for several years, continues to run at a loss.

He also observes on the subject of the “golden handshakes” of certain executives in the Group, that the problem lies in the decisions made at the time of signing the contract, and expresses the hope that the Chairman will speak with the same frankness at the meeting with which he expressed himself in recent pronouncements in the media.

Shareholder **Benoffi** observes that the year 2008 has been an extremely negative one. It could be said, to use a metaphor, that the Company now finds itself swimming in a stormy sea, clinging to a tyre and weighed down by a belt of bricks, without a cable to hold onto: and yet, he says, the decision to sell the cable business cannot in his opinion be criticised, considering the fall in the market share available to non-producers of raw materials. The question which is more in need of an answer is why there was no decision to take earlier action over the property sector, given that it already seemed clear at the end of 2007 that a crisis was brewing. At all events, he applauds the recent changes in Pirelli RE, emphasising that in order to get a turnaround process off the ground, it is always better to entrust it to different people than those who started the initiative. He asks for more information, however, on Pirelli RE’s plans for restructuring.

The shareholder then expresses his own faith in the future, observing that the first quarterly report already shows some positive signs. And besides, Pirelli Tyre has shown that it is managing in spite of everything to cope with the difficult economic circumstances, thanks to the strategic positioning which it decided on several years ago, consisting above all in focusing on top-of-the-range products.

Shareholder **Antolini** starts by formulating a number of considerations on the current state of the market, which has certainly been abnormal and unpredictable for several years: not even the most important countries in the world have succeeded in remedying the present crisis, and what needs to be done is to go in search of the causes of what has happened, which are not yet clear.

Moving on to the financial data, he observes that in fact production has held up, and only a small drop in sales has been recorded; the thing that has disappeared is the profit, which is down by about 90%. He asks therefore why the traditional sector of tyres has not managed to show any profitability, considering that the difficulties in the markets, and particularly the car market, occurred only in the last part of the year. He thinks that, perhaps, such a fall in profitability could be due to the startup of new plants in Romania, and the inevitable accompanying costs.

One figure which in his view is particularly disturbing is the fall in net equity per share: he hopes that this downward trend can be rapidly halted.

He regrets the excessive building speculation which has developed in Italy, stating that building has far outstripped the real needs of the population: and yet, constructing all these new buildings has involved huge costs.

Lastly, the shareholder observes that the numbers of shares bought and sold is particularly high, and asks who on earth is moving such quantities of stocks.

Shareholder **Consolaro Girelli** asks for the Chairman's assessment of the future prospects of the Company and the market in general.

Shareholder **Facchetti** first of all compliments the Chairman on his involvement as a member of the Advisory Board of a well-known Libyan fund, and asks whether it was a choice of him as a person or whether it was due to his position as Chairman of Pirelli & C. He asks furthermore if this involvement also implies an investment, or whether it is only a matter of a consultancy.

On the subject of the way Pirelli RE is going, he reminds the meeting that according to many analysts we will soon see a resumption of inflation, a circumstance which in its turn ought to lead to a revival in the value of property. He asks therefore whether it is possible to imagine a recovery in property activity in a couple of years. He then asks whether the loans raised by the various vehicles in which Pirelli RE has a share are at fixed rates or variable rates, and their amount.

He reports finally that he recently watched a car race sponsored by Pirelli Tyre, and asks what is the overall cost of this type of advertising commitment.

As no-one else asks to speak, the **Chairman** proceeds with the replies.

As regards the investment in Pirelli RE, he reminds the meeting first of all that the market is undergoing a year of grave international crisis. As part of the fightback against the changed scenario, Pirelli RE already announced in 2008 a process of reorganisation and cost reduction. Staff levels have gone from about 3,000 at the end of 2007 to roughly 500 at the end of 2008; about 1100 people have left in conjunction with the sale of Facility Management. The full awareness of the crisis in the property market is at the root of the recent changes in the financial structure of the company, which are aimed at preserving a high-quality asset base. At the end of the recently-approved increase in capital, Pirelli RE will be able to count on about 800 million Euros of its own funds, compared with a net invested capital (net of amounts due from shareholders for contributions subscribed but not paid) of about 1,300 million Euros, of which 300 relates to the presence in Germany, 200 to the Non-Performing Loans sector and 800 to the assets in Italy, the latter financed with an average leverage of about 59%. The real estate in Italy is primarily destined for commercial use and has an average yield of 6.5%, while the property located in Germany has an average yield of 6.6%.

The action taken on Pirelli RE, Dr. Tronchetti Provera continues in answer to the point, enables the assets to be protected, as was said earlier, while waiting for the negative market wave to pass. In the meantime, the task of reorganisation will continue, with the aim of bringing the associated company ever closer to the model of a property management company, and also of forming new alliances especially in the German market; the business can moreover already count on partners, both in Italy and in Germany, of primary international standing, such as the RREEF and MSREF funds and the Soros and Generali funds, and so forth. Orientation towards the activity of managing real estate could open up important opportunities, bearing in mind that there are still many properties in Italy which are not ideally managed: the objective, as indicated in the recently-approved three year Plan, is to reach an equilibrium in 2010 between costs and revenues which eliminates the need to realise capital gains from the sale of assets.

In the tyre sector, too, the commitment to reacting promptly to the situation has been enormous. Already in 2007, when the market was still going in a positive direction, a comprehensive restructuring plan was launched, reducing the industrial presence in Europe and increasing the presence in markets with greater potential for growth. Restructuring naturally forced the Company to take difficult decisions, such as the closure of a plant in Spain, which took place after a long negotiation that in any case enabled some of the personnel to be relocated to new jobs. At the same time, the Company has started the relaunch of the plant at Settimo Torinese, which entails a reduction in staff, but will create the most modern plant in the Group: the industrial and research centre of Pirelli, therefore, remains in Italy.

Faced with a crisis which has few equals in history, the Group's entire staff has thus worked with commitment and dedication, without commotion or protest: if in the first quarter of the year encouraging results begin to be seen, it is due precisely to this constant and silent commitment, which will certainly continue, taking the long view. The proof of this was the policy on bonuses: they were cancelled for 2008 and have been structured for the next three years so as specifically to reward the achievement of long-term results.

Moving on to some specific questions, the Chairman recalls first of all that there were six board meetings during the course of the year. The increase in intangible fixed assets in the 2008 financial year was 477 million Euros, of which 451 million Euros relate to the startup resulting from the purchase of the 38.9% minority stake in Pirelli through the acquisition of Speed, corresponding to the difference between price paid and net equity acquired.

On shareholder Rimbotti's remarks regarding the difference between the year-end results and the consolidated results, the Chairman emphasises that in order to compare like with like, it is necessary to compare the difference between the **net** results (not the results before tax) in the statutory financial statements for 2008 and 2007 (290,215 thousand Euros) with the difference between the net consolidated results generated by the shareholders of the Parent Company (512,051 thousand Euros). In the statutory financial statements, the results of the subsidiaries are included by accounting for the dividends, which takes place in the year following the period end for the result, while in the consolidated financial statements the results of the subsidiaries are included in the same year as they accrue, by means of the consolidation procedures. In any case, the principal reason for the difference between the result in the consolidated and the year-end financial statements is attributable to the shareholding in Pirelli RE (about 200 million Euros), whose negative result has been reflected only in the consolidated financial statements because the book value of the Pirelli RE shares in the statutory financial statements of Pirelli & C. (4.07 Euros per share) was aligned to the Borsa values for the end of 2008 (4.05 Euros per share).

After recalling that the reduction in the unit value of Pirelli & C. shares is also due to the extraordinary distribution which was made following the sale of Olimpia, the Chairman speaks about the shareholding in RCS Mediagroup, reminding the meeting that naturally the Pirelli & C. shareholders' meeting is not the place to discuss the running of that company: besides, the Pirelli representatives in every one of the Company's offices are always eager to suggest and indicate the best initiatives to take in order to contribute to the improvement of the Company.

With regard to forthcoming market scenarios, the Chairman confirms that some positive signs are probably beginning to be seen: if not definite signs of recovery, at the very least today we can detect a certain stabilisation of the fundamentals. If we look for example at the market for replacement tyres, we can currently observe a much smaller fall than that which characterised the second half of last year. The commitment to reduction in costs, in any event, remains at its maximum. It is also beyond doubt that within a little while, inflation will begin to rise.

After stating that the rumours concerning the hypothetical operations by Generali on Pirelli RE should be considered baseless, the Chairman adds on the subject of Pirelli RE itself that when judgements are being made about the company, it should always be remembered that it has distributed about 400 million Euros in profits over the years, earned as a result of a business which proved itself very profitable for a long time.

After stating, still on the subject of Pirelli RE, that Net Capital Invested is 1.3 billion Euros, of which 1.1 relates to the real estate sector (0.8 in Italy and 0.3 in Germany) and 0.2 to Non Performing Loans, he reminds the meeting that Pirelli & C. has proceeded with further purchases of shares in Pirelli RE itself at times when the share price was low. The fall in the stock market price of the shares appeared contrary to logic at those times, and therefore it was considered advisable to buy. Today, at all events, efforts are being concentrated on bringing the Company back into a profitable position, while keeping it a quoted company.

With regard, however, to the reacquisition of Pirelli Tyre, the conviction is that returning it to total ownership has been more timely than ever: the price of buying it back expresses a value which sooner or later will become obvious.

The economic treatment of Carlo Puri Negri is altogether consistent with the position of a high-level executive who has contributed for 20 years to the development of the company in which he has worked; this treatment, furthermore, has been fully validated by the internal boards of Pirelli RE as well as by leading legal offices and external consultants.

As for future prospects, the Chairman points out that the tyre sector will benefit from the fall in the price of raw materials. The winter season ought therefore to yield positive results, considering that last year many of the dealers sought to get rid of their stock, which therefore will probably need to be replaced in the near future. The situation over industrial vehicles is however more complicated: the company will continue to aim at low-cost production bases, although overall market levels still appear somewhat modest.

In the real estate area, however, the company will continue, as was said earlier, in the search for an equilibrium between costs and revenues, while protecting the value of an asset base which remains of excellent quality.

Turning to some replies on points of detail, the Chairman observes that the large quantity of Pirelli shares traded is, in general, a good sign, being a symptom, for better or worse, of the interest taken by the market in the Company: naturally, the hope is that this interest will go back to pushing the share price upwards.

On the subject of the reasons for Pirelli Tyre's reduced profit, Dr. Tronchetti Provera points out that the operating profit for 2007 was 358 million Euros. If just the additional cost of raw materials is taken into account, there is a 195 million deterioration, partly recovered from the prices and the mix. In short, 250 million is the operating profit for 2008, which has been reduced by 100 million to support the necessary restructuring.

As regards the loans, the Chairman continues, Pirelli RE has interest rate risk cover on 80% of the debt, a third of which is provided by an instrument (IRS) equivalent to a fixed rate, and two thirds of which is provided by instruments (Cap and Collar) which allow the company to benefit from a reduction in rates, while protection remains in place over a maximum rate.

There are many bike sponsorships, of the order of a dozen million Euros per year, substantially financed by the profit produced by the sale of car and bike motor sport tyres. As for the Libyan fund, the Chairman states that it is a matter of a personal choice, which is the fruit of relationships going back many years.

In relation to Pirelli & C. Ambiente, on the other hand, he says that the technological section represented by Pirelli Eco Technology has been separated from the remaining activities, and is now organised into an independent company, part of whose stock is held by Camfin and part by Pirelli & C. In the photovoltaic field, contracts have been signed for about 47 megawatts, of which three are in course of installation: these are initiatives characterised by yields linked to the discipline of incentives and therefore characterised by certain returns. These initiatives, furthermore, are very useful for the purpose of trying out and applying technologies developed in Pirelli Labs in collaboration with ISPRA, the European centre of excellence for solar power.

In relation to fuels derived from waste (RDFs), contacts with the utility company Acea are continuing, to enable development of further plants, taking into account the very satisfactory experience with the plant at Cuneo for the Buzzi cement works. Finally, a small speciality is being developed in the field of environmental decontamination, created internally following the decontamination of plants in the Group.

Shareholder **Facchetti** asks whether Pirelli & C. will be able to benefit from a possible alliance between FIAT and Chrysler, and what point the agreement with Brembo has reached on the so-called “smart tyre”.

The **Chairman** observes that the success of an agreement between FIAT and Chrysler would be a positive event for the entire economy and for the image of the country itself. Naturally, this type of alliance could at the same time increase possible opportunities for collaboration on specific projects, as is actually the case with the Intelligent Aerocyber Tyre, a project on which Pirelli, Brembo and Magneti Marelli are collaborating, and which is progressing.

On a last question from the floor, finally, the Chairman discusses Pirelli RE’s increase in capital, and emphasises that the issue price of the shares will contain the maximum discount compatible with the need to ensure the success of the operation, without at the same time eliminating the protection

constituted by the nominal value of the shares. The sector remains currently in crisis, but there is confidence that the skills and assets possessed by the Company will allow it to overcome the present difficulties.

As no-one else asks to speak, the **Chairman**:

- declares the discussion closed on the first item on the agenda;
- announces that for the purposes of the resolution, at 12:20 p.m. the number of shareholders attending in person or by proxy is 285, representing 2,993,175,598 ordinary shares, with the right to a similar number of votes, equivalent to 57.196529% of the total number of ordinary shares;
- puts to the vote at 12:20 p.m. the proposal to approve the financial statements and to cover the loss; the proposed resolution is printed on page 79 of the binder distributed at the entrance and transcribed below:

*“The shareholders’ meeting:*

- *taking note of the Board of Directors’ report on operations;*
- *taking note of the report of the Board of Statutory Auditors and the external auditing firm;*
- *having examined the financial statements as at 31 December 2008 which conclude with a loss of 189,548,806 Euros*

#### *RESOLVES*

*a) to approve:*

- *the balance sheet, the profit and loss account, the statement of recognised income and expense, the cashflow statement and the explanatory notes for the financial year ended 31 December 2008, which show a loss of 189,548,806 Euros, as presented in their totality and in their individual entries by the Board of Directors, with the proposed allocations;*

*b) to cover in full the loss for the financial year 2008 of 189,54,806 Euros as follows:*

- *by full use of the monetary revaluation reserve under Law no. 413/91*  
*of 707,349 Euros*
- *by full use of the monetary revaluation reserve under Law no. 72/83*  
*of 972,216 Euros*
- *by full use of profits brought forward*  
*of 985,279 Euros*
- *by partial use of the share premium reserve*  
*for 186,883,962 Euros*

*taking note therefore that the share premium reserve itself, following the said use, remains at 229,710,152 Euros.”*

The Meeting approves the motion by a majority.

Against: 593,977 shares.

Abstaining: 20,657,405 shares.

In favour: the remaining 2,971,924,216 shares represented.

Full details are given in the appendices.

The **Chairman** announces the result and gives notice that the financial statements of Pirelli & C. S.p.A. for the year ended 31 December 2008, and full coverage of the loss by the use of available reserves, have been approved.

\* \* \*

Moving on to deal with the second item on the agenda, namely the **Appointment of the Board of Statutory Auditors**, the **Chairman** announces:

- that under the procedures and the terms provided by Article 16 of the Company Bylaws and the applicable rules, including regulatory provision, and also in compliance with the Self-regulation Code for quoted companies, a single slate has been filed at the Company's registered office by the members of the Block Voting Syndicate of holders of shares in Pirelli & C. S.p.A. (the Majority Slate). Together with the slate, all the further documentation required by the current legal provisions and the bylaws has been filed;
- that as already indicated at the start of the proceedings, the Company has arranged to publicise the said slate in compliance with Article 144-*octies* of Consob resolution 11971/99. In particular, on 6 April 2009, a press release was distributed which carried the following notice:
  - that within the terms provided, only one slate of candidates has been presented;
  - the composition of the slate presented;
  - that the information and documentation filed by the shareholders has been made available to the public, also on 6 April 2009, at the Company's registered office, at the Borsa Italiana and on the Company's website;
  - that the time-limit for the presentation of minority slates has been extended till 10 April 2009 and that the percentage of ordinary shares necessary for the presentation of new slates has been reduced from two to one percent;

- that within the aforesaid time-limit of 10 April 2009 no minority slates for the appointment of members of the Board of Statutory Auditors have been presented;
- that the binder distributed to shareholders attending the Meeting contains all the information required by current legislation and the Company Bylaws regarding the Shareholders who have presented the slates for the office of Statutory Auditor; all the candidates have declared that they are in possession of the independence requirements specified by the Self-regulation Code for quoted companies and that, if appointed, they will hold a number of offices compatible with the Consob regulations on the matter.

The **Chairman** then reads out the composition of the single slate presented by the members of the Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate, as shown below:

Section 1 – Standing Auditors

1. Enrico Laghi
2. Paolo Domenico Sfameni
3. Paolo Gualtieri

Section 2 – Alternate Auditors

1. Luigi Guerra
2. Franco Ghiringhelli

and, continuing:

- states that both the curriculum vitae of the candidates and their offices – updated as of today's date – are contained in the binder distributed to shareholders attending the meeting, in accordance with the provisions of Article 2400, last paragraph, of the Civil Code; given that the candidates are well-known and that no-one opposes them, the reading of the curricula is omitted;
- announces that the members of the Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate, at the same time as presenting the slate, proposed to set 41,500 Euros as the annual remuneration of the standing Auditors and 62,000 as the annual remuneration of the Chairman of the Board of Auditors.

Before opening the discussion, the **Chairman** then expressed his own personal thanks, as well as those of the entire Board and all the Shareholders present, to Prof. Luigi Guatri, who, as stated in the annual report of the Board of Auditors, has not made himself available for re-election on account of his age. After recalling the human and professional gifts of Prof. Guatri, the Chairman indicates that he has held offices since as long ago as the end of the 1970s, and the Group cannot but be proud of this. The meeting associates itself with the Chairman's words by its applause.

The **Chairman** opens the discussion, urging shareholders to keep their speeches relevant to the point under discussion and reminding them that the time available to each speaker is limited to 15 minutes.

As no-one asks to speak, the **Chairman**:

- declares the discussion closed on the second item on the agenda;
- states that, since only one slate has been presented by the members of the Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate, the meeting will proceed to two distinct votes, regarding respectively the appointment of the standing and alternate Auditors, and the determination of the remuneration of the Board of Auditors; in accordance with Article 16 of the Company bylaws, the Chairmanship of the new Board of Auditors will belong to the lead candidate on the slate, Prof. Enrico Laghi, if he is appointed a standing Auditor;
- announces that for the purposes of the resolution, at 12:35 p.m. the number of shareholders attending in person or by proxy is 281, representing 2,992,869,598 ordinary shares, with the right to a similar number of votes, equivalent to 57.190682% of the total number of ordinary shares;
- puts to the vote at 12:35 p.m. the single slate presented by the members of the Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate, and thus the proposal to appoint as standing Auditors Enrico Laghi, Paolo Domenico Sfameni and Paolo Gualtieri and to appoint as alternate Auditors Luigi Guerra and Franco Ghiringhelli.

The Meeting approves the motion by a majority.

Against: 143,316,761 shares.

Abstaining: 1,780,921 shares.

Not voting: 50,000 shares.

In favour: the remaining 2,847,721,916 shares represented.

Full details are given in the appendices.

The **Chairman** announces the result and gives notice that the proposal to appoint as standing Auditors for the financial years 2009, 2010 and 2011 Enrico Laghi, Paolo Domenico Sfameni and Paolo Gualtieri, and to appoint as alternate Auditors Luigi Guerra and Franco Ghiringhelli, is approved by a majority. He also gives notice that by virtue of the aforesaid appointments, in accordance with the provisions of Article 16 of the Company bylaws, the Chairmanship of the Board of Auditors belongs to Prof. Enrico Laghi, who was indicated in first place in the single slate presented, and has obtained a majority of favourable votes.

Moving on to the vote on the annual remuneration to be assigned to the members of the Board of Auditors, the **Chairman**:

- announces that for the purposes of the resolution, at 12:37 p.m. the number of shareholders attending in person or by proxy is 284, representing 2,993,015,598 ordinary shares, with the right to a similar number of votes, equivalent to 57.193472% of the total number of ordinary shares;

- puts to the vote at 12:37 p.m. the proposal of the members of the Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate, to set at 41,500 Euros the gross annual remuneration of each of the standing Auditors and at 62,000 Euros the gross annual remuneration of the Chairman of the Board of Auditors, indicating that said remuneration is in line with previous amounts.

The Meeting approves the motion by a majority.

Against: 143,316,761 shares.

Abstaining: 1,876,753 shares.

Not voting: 20,000 shares.

In favour: the remaining 2,847,802,084 shares represented.

Full details are given in the appendices.

The **Chairman** announces the result and gives notice that the proposal to set at 41,500 Euros the gross annual remuneration of each of the standing Auditors and at 62,000 Euros the gross annual remuneration of the Chairman of the Board of Auditors is approved by a majority.

\* \* \*

As the matters on the Agenda for the ordinary session have all been dealt with and no one asks to speak, the Chairman moves on to dealing with the extraordinary part of the Agenda, which is the subject of separate minutes.

The time is 12:39 p.m.

Secretary

Chairman

Index no. 5248

Folder no. 2711

**Minutes of shareholders' meeting of quoted company**

**REPUBLIC OF ITALY**

In the year 2009 (two thousand and nine)  
on the 21<sup>st</sup> (twenty-first) day  
of the month of April,  
at 12:40 (twelve forty) p.m.  
at the house at Viale Sarca no. 214, Milan.

The following person appears before me **Carlo Marchetti**, notary public in Milan, member of the Milan College of Notaries:

- **Dr. Marco Tronchetti Provera**, born in Milan on 18 January 1948, domiciled for purposes of his office in Milan, at Via G. Negri no. 10, of whose personal identity I the notary am certain, declaring that he is acting as Chairman of the Board of Directors and in the interests of the quoted joint stock company

**"Pirelli & C. Società per Azioni"**

or, in abbreviated form, **"Pirelli & C. S.p.A."**, with registered office in Milan, at Via G. Negri no. 10, share capital 1,556,692,865.28 Euros, entry number in the Milan Business Register and taxpayer's code: 00860340157, and asks me to record the proceedings, as regards the extraordinary part (the treatment of the ordinary part of the agenda having already been arranged as the subject of separate minutes) of the shareholders' meeting of the aforesaid company, which was called following the notice of convening detailed below, to discuss and vote on the Agenda which is itself reproduced below.

In compliance with the request made of me, I record the following.

The meeting is chaired by the appearer, Dr. Tronchetti Provera, who recalls the announcements made at the opening of the proceedings and reported here:

- the Agenda is as follows:

**Ordinary session**

*(Omission)*

**Extraordinary session**

Reduction of the revaluation reserves under Law no. 72/1983 and Law no. 413/1991 in the measure utilised to cover the losses appearing in the financial statements for the year ended 31 December 2008;

- the notice of convening the Shareholders' Meeting was published in the Official Gazette of the Italian Republic no. 31 of 17 March 2009;

- the notice of convening was also published, again on 17 March 2009, in *Il Sole 24 Ore*, in *Milano Finanza* and in *Finanza & Mercati*;

- no request has reached the Company for additions to the Agenda, pursuant to Article 126-bis of Legislative Decree no. 58/1998;

- the Shareholders' Meeting, which was convened on the first call on 20 April 2009, was not quorate because an insufficient number of shares was represented, as per the report that will be recorded in the Shareholders' Meeting minute book;

- the share capital is 1,556,692,865.28 Euros, divided into 5,367,906,432 shares with a par value of 0.29 Euro per share, of which 5,233,142,003 are ordinary shares and 134,764,429 are savings shares;

- as of today's date, the Company holds 3,867,500 of its own ordinary shares as well as 4,491,769 savings shares;

- the documentation relating to the various matters on the

agenda has been the subject of the publicity arrangements provided for by the applicable rules, and has also been publicised on the Company's website; in particular, the binder containing the Company's draft financial statements and the consolidated financial statements as at 31 December 2008, together with the corresponding Directors' report and the reports on all the further points on the agenda, were made available to the public at the Company's registered office and at the Borsa Italiana on 31 March 2009. The reports of the Board of Statutory Auditors and of the external auditing firm were filed, with the same procedures, on 3 April 2009. The above-mentioned documentation, as stated above, has also been published on the Company's website;

- the same documentation is contained in the printed financial statements binder distributed at the entrance (including, among other things, the proposed resolutions drafted by the Board of Directors); this binder, which also contains the 2008 Sustainability Balance Sheet and the annual Corporate Governance Report, was also sent last 16 April to those shareholders of Pirelli & C. S.p.A. who attended one of the last three Shareholders' Meetings and to those who had requested it;

- at the entrance a binder was handed out showing the single slate of candidates for the office of member of the Company's Board of Statutory Auditors, presented by the Shareholders, containing the information and the documentation specified by Article 144-octies of Consob resolution 11971/99; the same document, in accordance with the above-mentioned Consob resolution, was made available to the public at the Company's registered office, at the Borsa Italiana and on the Company's website on 6 April 2009;

- on 3 April 2009 the financial statements of the subsidiary companies and the essential data connected with them were also filed at the Company's registered office;

- according to the entries in the Shareholders' Register, supplemented by the communications received under Article 120 of Legislative Decree no. 58/1998 and other available information, the following possess shares with voting rights amounting to more than 2% of the ordinary capital:

	<b>Number of of shares</b>	<b>% of capital in ordinary shares</b>
<b>1 Marco</b>		
<b>Tronchetti Provera</b>	<b>1,370,735,560</b>	<b>26.19</b>
of which directly	13,764	0.00
and indirectly		
through CAMFIN S.p.A.	1,369,504,398	26.17
and through Cam		
Partecipazioni S.p.A.	1,217,398	0.02
<b>2 Assicurazioni Generali</b>		
<b>S.p.A.</b>	<b>287,045,437</b>	<b>5.49</b>
of which directly	113,926,593 (2.18%)	
and indirectly through:		
. Ina Assitalia SpA - no.of shares	104,949,245 (2.00%)	
. Generali Vie S.A - no.of shares	57,400,000 (1.10%)	
. Toro assicurazioni SpA - no.of shares	8,923,725 (0.17%)	
. Alleanza Assicurazioni SpA - no.of shares	964,282 (0.02%)	
. Intesa Vita SpA - no.of shares	842,952 (0.02%)	
. Genertel Life SpA - no.of shares	38,640 (0%)	
<b>3 EDIZIONE S.r.l.</b>	<b>249,756,728</b>	<b>4.77</b>
<b>4 Mediobanca S.p.A.</b>	<b>241,144,264</b>	<b>4.61</b>

5 **Premafin**

**Finanziaria S.p.A. 237,548,202 4.54**

of which indirectly through

. Fondiaria - S.A.I. SpA - no.of shares 236,072,874 (4.51%)

. Milano Assicurazioni SpA - no.of shares 1,325,996 (0.03%)

. Popolare Vita SpA - no.of shares 149,332 (0%)

6 **Allianz SE 236,456,434 4.52**

of which indirectly through

. Allianz SpA - no.of shares 236,391,434 (4.52%)

. Creditras SpA - no.of shares 65,000 (0%);

- 3,867,500 ordinary shares, equal to about 0.07% of the capital in ordinary shares, are also owned by Pirelli & C. S.p.A. itself, while there are no Pirelli & C. S.p.A. shares held by subsidiary companies;

- the list of names of shareholders attending the meeting will be available at the entrance to the hall as soon as it is printed and will later be attached to the minutes.

Again, the Chairman:

- invited shareholders to kindly indicate any lack of valid voting rights under the terms of the current legislation;

- indicated, with reference to the existence of shareholders' agreements in terms of Legislative Decree no. 58/1998, that there is a Pirelli & C. S.p.A. Shareholders' Block Voting Syndicate. The following shareholders are parties to the agreement; for each of them, the percentage holding of the ordinary shares issued is indicated:

	Number of shares held	% of total ordinary shares issued
CAMFIN S.p.A.	1,063,360,850	20.32
MEDIOBANCA S.p.A.	241,144,264	4.61
EDIZIONE S.r.l.	241,135,003	4.61
FONDIARIA - SAI S.p.A.	231,355,374	4.42
ALLIANZ S.p.A.	230,749,971	4.41
ASSICURAZIONI GENERALI S.p.A.	230,749,965	4.41
of which 57,400,000 shares are held through Generali Vie S.A. and 82,779,265 through Ina Assitalia S.p.A.		
INTESA SANPAOLO S.p.A.	84,519,252	1.62
Massimo MORATTI	62,407,310	1.19
of which 37,420,339 shares are held through CMC S.p.A. and 13,435,544 shares registered in trust in the name of Istifid S.p.A. )		
SINPAR S.p.A.	33,168,521	0.63
<b>Total</b>	<b>2,418,590,510</b>	<b>46.22</b>

- announced that there are present at the meeting the Directors Carlo Alessandro Puri Negri, Alberto Pirelli, Carlo Acutis, Alberto Bombassei, Franco Bruni, Luigi Campiglio and Carlo Secchi and all the auditors Luigi Guatri, Enrico Laghi and Paolo Sfameni;

- representatives of the external auditing firm, of organs of information, financial experts and analysts, as well as staff engaged in the proceedings of the meeting;

-- the common representative of the holders of savings shares, Avv. Giovanni Pecorella;

- recalled also that the financial statements binder includes the current texts of the Regulations for Shareholders' Meetings (page 163 and following) and of the Company Bylaws (page 120 and following);

- in order to allow all those present who wish to take part in the debate to do so, availing himself of his legal powers and

the Regulations for Shareholders' Meetings, he set 15 minutes as the maximum length of speeches; he asked shareholders to respect this time-limit, in order for the business of the meeting to proceed in an orderly and correct fashion, and to keep their interventions relevant to the point under discussion at the time;

- he further invited shareholders who intend to address the meeting on the various matters on the Agenda to book in advance, using the form for the purpose which was handed out at the entrance. When called upon to speak, shareholders were requested to go to the microphone located to the right of the Chair, and avoid making speeches from the floor, in order to allow everyone to hear clearly;

- he also informed the meeting that recording equipment is being used in order to facilitate minute-taking, and that there is a simultaneous translation service from Italian to English and vice versa (headphones are available at the entrance to the hall);

- he stated that personal data gathered by means of the recording process, and also during accreditation for participation in the proceedings, will be used solely for the purposes of the proper conduct of the meeting and for minute-taking. All data will be treated in accordance with the regulations on privacy;

- he reminded the meeting that audio and video recording of the meeting by shareholders is not permitted.

Again, the Chairman:

- informed those present that in order to facilitate the proceedings of the meeting, the Company is using a special computerised system for detecting the presence of participants and for voting purposes.

- explained, through the use of a number of slides, the new operating procedures for handling the votes, informing shareholders as follows:

-- a special electronic apparatus was handed out at the entrance, called a Televoter, in which is stored a code identifying the shareholder and the shares in his or her possession; as well as the Televoter, a notice was handed out containing instructions for the use of this apparatus;

-- all voting will take place using the Televoter;

-- once the voting procedure has been declared open on each matter on the agenda, shareholders are invited to press the "F" key on the Televoter to express a vote in favour, or the "C" key to express a contrary vote, or else the "A" key to express their abstention from voting; at this point - before pressing the "OK" key - shareholders are still able to alter the choice they have made, simply by pressing the key for the new choice which they intend to make;

-- after then checking on the display the correctness of the choice they have made, shareholders should press the "OK" key on the Televoter to express their final vote, which will be confirmed on the display;

-- from this moment the vote which they have expressed is no longer alterable, except by going to the "assisted voting" position near the dais;

-- those who do not vote or do not confirm their vote with the OK key will be classified as "NOT VOTING";

-- the votes in favour and against and the abstentions which are thus expressed, and those not voting, will be automatically recorded, and reported and analysed in the appendix to the minutes of the Meeting;

-- shareholders holding proxies who intend to vote diverse ways within the total portfolio of shares which they represent, should use the special station previously referred to, marked "assisted voting";

-- the Chairman asked shareholders not to leave the hall and not to enter it during the votes, to allow the numbers of people present to be correctly counted;

-- the procedure for using the Televoter is anyway described in detail in the document handed out at the entrance, and there are also staff in the hall who can give assistance where necessary;

-- the Televoter will also be used for sensing attendance every time anyone enters or temporarily leaves the hall, and it must be returned to the relevant staff if leaving the meeting early or at its conclusion.

All this being said, the Chairman:

- indicates that the number of shareholders attending in person or by proxy is 284, representing 2,993,015,598 ordinary shares, with the right to a similar number of votes, equivalent to 57.19% of the total number of ordinary shares;

- declares that the meeting is therefore properly constituted in extraordinary session and can discuss and vote on the single item on the agenda: **Reduction of the revaluation reserves under Law no. 72/1983 and Law no. 413/1991, in the measure utilised to cover the losses appearing in the financial statements for the year ended 31 December 2008;**

- states that, as with the documentation regarding the other matters, the reading of the Directors' explanatory report relating to the reduction of the revaluation reserves under Law no. 72/1983 and Law no. 413/1991 and the relative proposed resolutions will be omitted, these too having already been published in compliance with the applicable rules and being present in the printed binder distributed at the entrance, at pages 493 and 494. A copy of the Directors' report on the single item on the agenda for the extraordinary session is appended to the present document under "A".

\* \* \*

Moving on to deal with the single point on the Agenda for the extraordinary session, the Chairman declares the discussion open.

Shareholder Antolini asks the technical reasons for the proposal, reasons which I the notary proceed to explain by recalling the contents of the reference rules.

As no-one else asks to speak, the Chairman:

- declares the discussion closed on the single item on the agenda of the extraordinary session;

- asks those present not to leave the hall throughout the duration of the voting procedure;

- states that holders of proxies who intend to vote diverse ways are requested to go to the "assisted voting" station, while the other Shareholders can remain in their places and express their vote by the use of the Televoter, according to the procedures indicated earlier;

- announces that for the purposes of the resolution, the number of shareholders attending in person or by proxy is now 282, representing 2,992,995,548 ordinary shares, with the right to a similar number of votes, equivalent to 57.18% of the total number of ordinary shares;

- puts to the vote (at 12:50 p.m.), according to the procedure explained above, the proposed resolutions relating to the reduction of the revaluation reserves under Law no. 72/1983

and Law no. 413/1991, printed on page 494 of the binder distributed at the entrance and transcribed below:

*"The Shareholders' Meeting:*

*- taking note that by the resolution adopted by the ordinary Shareholders' Meeting in the course of approving the financial statements as at 31 (thirty-first) December 2008 (two thousand and eight), the following reserves, among other things, were fully utilised to cover the loss for the financial year 2008:*

*- Revaluation reserve under Law no. 72/1983 for an amount of 972,216.00 (nine hundred and seventy-two thousand two hundred and sixteen point zero zero) Euros*

*- Revaluation reserve under Law no. 413/1991 for an amount of 707,349.00 (seven hundred and seven thousand three hundred and forty-nine point zero zero) Euros*

*- taking account of the provisions of the special rules applicable,*

**RESOLVES**

*a) to definitively reduce the revaluation reserve under Law no. 72/1983 in a measure corresponding to the amount of 972,216.00 (nine hundred and seventy-two thousand two hundred and sixteen point zero zero) Euros, utilised to cover the loss for the financial year 2008 (two thousand and eight), and therefore to proceed to zero the said reserve, without the obligation to reinstate it, in accordance with Article 6, paragraph 2, of Law no. 72/1983;*

*b) to definitively reduce the revaluation reserve under Law no. 413/91 in a measure corresponding to the amount of 707,349.00 (seven hundred and seven thousand three hundred and forty-nine point zero zero) Euros, utilised to cover the loss for the financial year 2008 (two thousand and eight), and therefore to proceed to zero the said reserve, without the obligation to reinstate it, in accordance with Article 26, paragraph 2, of Law no. 413/1991;*

The Meeting approves the motion by a majority.

In favour: 2,992,694,815 shares.

Abstaining: 300,733 shares.

Not voting: 20,000 shares.

Full details are given in the Appendices.

The Chairman announces the result and gives notice that the proposal to definitively reduce the revaluation reserve under Law no. 72/1983 and the revaluation reserve under Law no. 413/91 in a measure corresponding to the amounts indicated on page 494 of the binder distributed to the shareholders attending the meeting, and to proceed to zero the aforesaid reserves without obligation to reinstate them, has obtained a favourable vote by more than two thirds of those present and is therefore approved by majority.

\* \* \*

There being nothing else to vote on, the Chairman declares the meeting closed at 12:52 (twelve fifty-two) p.m. and delivers to me the notary:

- the list of those attending, which I attach to the present minutes under "B", with the details of the voting.

I have read out the present document to the Appearer who approves it, and he and I both sign it; the reading of the Appendices was omitted on his dispensation.

It consists of eight sheets written using mechanical means by a person whom I trust and completed in my own hand, making fifteen pages and part of the sixteenth as far as here.

Signed Marco Tronchetti Provera

Signed Carlo Marchetti, notary public