

**SHAREHOLDERS' MEETING APPROVES THE COMPANY ACCOUNTS AND
BALANCE SHEET FOR 2001 AND APPOINTS THE BOARD OF DIRECTORS
GILBERTO BENETTON AND MASSIMO MORATTI
JOIN THE BOARD**

**MEETING OF THE BOARD OF DIRECTORS CONFIRMS
MARCO TRONCHETTI PROVERA AS PRESIDENT AND MANAGING DIRECTOR,
ALBERTO PIRELLI AS VICE PRESIDENT
AND CARLO BUORA AND GIOVANNI FERRARIO
AS MANAGING DIRECTORS**

Milan, May 9th, 2002 - The Meeting of Shareholders' of Pirelli SpA met today and approved the Annual Report as at December 31st, 2001 and passed a resolution for the distribution to shareholders of a **dividend** of **0.08** Euro for ordinary shares and of 0.0904 Euro for savings shares. A coupon which no longer includes the extraordinary component featured in 2000 (dividend of 0.155 Euro for ordinary shares and 0.1654 Euro for savings shares) against the exceptional nature of recorded profits from capital gains, in line with the dividend values recorded in the late 'nineties. The ex-coupon date is May 20th, and the dividend will be paid as of May 23rd, 2002.

Furthermore, the Meeting was called upon to appoint the Board of Directors and the Board of Auditors, whose mandates (1999-2001) are due to expire, and passed a resolution to **extend the number of Directors of the Board from 18 to 19** members, appointing as new directors Gilberto Benetton and Massimo Moratti and confirming the appointments of Marco Tronchetti Provera, Alberto Pirelli, Carlo Buora, Giovanni Ferrario, Eugenio Coppola di Canzano, Carlo Ciani, Carlo De Benedetti, Alberto Falck, Giuseppe Gazzoni Frascara, Mario Greco, Georg F. Kraye, Luigi Orlando, Giampiero Pesenti, Ennio Presutti, Carlo Alessandro Puri Negri, Vincenzo Sozzani and Frank Vischer.

The Board of Auditors, appointed by means of the list vote system, is made up as follows: Luigi Guatri, President, Paolo Francesco Lazzati and Rosalba Casiraghi, Statutory Auditors; Franco Ghiringhelli and Sebastiano Guido, Acting Auditors.

The Meeting also confirmed the appointment of PriceWaterHouseCoopers as auditors of the company accounts for the three-year period 2002-2004. In addition it passed a resolution authorising the acquisition of its own shares up to a maximum amount of 700 million Euro, subject to revocation of the resolution passed by the Shareholders' Meeting of May 8th, 2001, insofar as this amount was not used.

Lastly, an extraordinary session of the Shareholders' Meeting also passed a resolution for the merger by incorporation within Pirelli Spa of Pirelli Cables and Systems Spa, already wholly owned by the incorporating company. This thus completed the process of the splitting of the activities of Energy Cables and Systems and Telecom Cables and Systems, a process which had been initiated at the end of December 2000, with the aim of rendering the accounts of the Group clearer and more transparent.

The Shareholders' Meeting was followed by a meeting of the **Board of Directors**, which confirmed **Marco Tronchetti Provera** as President and Managing Director, **Alberto Pirelli** as Vice President, and **Carlo Buora** and **Giovanni Ferrario** as Managing Directors.

Lastly the Board passed a resolution, by virtue of the powers conferred upon the Board by the Extraordinary Shareholders' Meeting of May 8th, 2000, for an increase in share capital to finance the current stock option plans for a maximum total of 52,758,763 newly issued shares, equal to approximately 2.75% of the ordinary shares in circulation.