PRESS RELEASE

THE BOARD OF DIRECTORS OF PIRELLI & C. SPA APPROVES FINANCIAL STATEMENTS AS OF 30 JUNE 2008:

REVENUES SLIGHTLY HIGHER IN THE FIRST HALF (+2,7%) AND NET FINANCIAL POSITION IMPROVED COMPARED WITH MARCH FIGURE

EBIT BEFORE RESTRUCTURING CHARGES 211.5 MILLION EUROS (-4.4%) IN A DIFFICULT MACROECONOMIC AND MARKET CONTEXT

NET RESULT NEGATIVE DUE TO FURTHER WRITEDOWN OF TELECOM ITALIA STAKE (1.36%) BY 155 MILLION EUROS

RESTRUCTURING ACTIONS BEGUN IN TYRE AND REAL ESTATE BUSINESSES IN ORDER TO STRENGTHEN THE GROUP'S COMPETITIVENESS

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- **Revenues: 2,685.3 million euros (+2.7% compared with the figure for the first half of 2007 net of DGAG deconsolidation and exchange rate effects. Including DGAG effects, revenues as of 30 June 2007 amounted to 3,192.6 million euros)**

- **EBIT before restructuring charges (of 21.2 million euros): 211.5 million euros (-4.4% compared with 221.3 million euros as of 30 June 2007)**

- **Writedown of Telecom Italia stake: book value to 1.27 euros per share (market price as of 30 June), with a 155 million euro impact on the first half net result**

- **Net income of businesses in operation: +2.6 million euros (188.4 million euros in 2007). Total net result: -9.5 million euros (198.3 million euros in 2007)**

- **Net financial position: negative for 823 million euros, improved from 851 million euros as of 31 March 2008**

- **Pirelli Tyre: Revenues 2,166.3 million euros (+3% at constant exchange rates). EBIT before restructuring charges 191 million euros (206.3 million euros in the first half of 2007)**

- **Pirelli RE: Pro-quota aggregate revenues 681.3 million euros (745.5 million euros as of 30 June 2007 net of DGAG deconsolidation). EBIT including results from equity participations, before restructuring charges, 49.2 million euros (105.7 million euros as of 30 June 2007); excluding real estate revaluations, the result was 43.5 million euros (56.4 million euros in the first half of 2007)**

- **Pirelli Tyre forecasts for the second half EBIT before restructuring charges substantially in line with the same period of 2007, barring further deterioration of markets of reference. Pirelli RE expects it will be possible – thanks to restructuring actions, and if some negotiations currently underway are finalized – to confirm for 2008 EBIT including results from equity participations before restructuring charges in line with 2007 (net of the effects of temporary consolidation of DGAG)**

Milan, 5 August 2008 - The **Board of Directors of Pirelli & C. SpA**, which met today, **examined** and **approved** the **interim financial statements** as of **30 June 2008**.

The first half of the year was characterized by **completion** of the **plan** announced by the Group following the sale of Olimpia and based on **three main points: refocusing on core businesses**, **distribution of resources to shareholders** and **optimizing equity structure**. In the January – June period, in particular, the Group reached an agreement to **reenter in possession of 100% of the capital of Pirelli Tyre**, announcing **new investments in the tyre and real estate businesses** and signing a **letter of intent** in order to create a **large industrial pole in the automotive sector in Russia.** At the same time, at equity level, the parent company Pirelli & C. SpA distributed an ***"extraordinary dividend"*** of **826 million** euros and set aside **reserves** of about **408 million** euros. The result of these transactions is a **solid Group from an equity point of view**, with **limited debt** (the debt/equity ratio at Group level as of 30 June 2008 was 0.27) and in a phase of **further expansion in its core businesses.**

During the first half, in addition, the Group signed a letter of intent with the US company **CyOptics** to create an **international alliance in photonics.** The transaction was finalized in the month of July, with an agreement that brought about integration of the two companies' respective businesses in optical technology. The new CyOptics, in which Pirelli holds an approximately 30% stake, will be an important international operator, active on the market with a continuously expanding portfolio of products and technologies. The transaction also brought about deconsolidation of the photonics assets which are considered, on the basis of IFRS accounting principles, *"discontinued operations"* and which contribute only to the net result after taxes. For representation on a like-for-like basis, this treatment was adopted also for data regarding 2007.

With respect to the **results** reached in the first half, it should be emphasized that the Group's performance was heavily influenced by **external factors**, starting with the **international financial crisis**, and by the relating **repercussions** on the **economy** and on **consumer demand**, especially in Europe and the United States. The **automotive** and **real estate** sectors, where the two main units of the group operate, have been particularly hard hit.

In this scenario, at consolidated level, the Group registered a **slight increase** in **revenues** (+**2.7%** compared with the first half of 2007 net of the exchange rate effect and the effect of sales carried out in the last fiscal year for deconsolidation of the assets of DGAG by Pirelli RE in Germany) and an **EBIT** before restructuring charges of **more than 210 million** euros, slightly down (**-4.4%**) compared with the previous year period. The change in operating results compared with 2007 can be attributed to the lower contribution of the real estate business, linked to the slowdown in the sector, notwithstanding the solidity of the Pirelli RE portfolio. In the tyre business, price increases, focalization on product mix, and actions for continuous cost efficiency only partially offset a decrease in demand in certain key markets (especially Western Europe and the United States) and the increase of raw materials costs (which rose about 10% in the half).

During the first half, the Group **wrote down further the value of its stake in Telecom Italia**, which amounts to 1.36% of the ordinary share capital. Unit book value of the stake was written down to **1.27** euros (the market price on 30 June 2008), with a balance sheet impact of **155 million** euros. The writedown was the determining factor for the Group in reporting a **consolidated net loss**.

The **net financial position** was **negative** for **823 million** euros, less than the 851 million euro figure as of 31 March 2008. The **net financial position at corporate level** remains **positive** (**258 million** euros as of 30 June 2008).

The Group, finally, began **actions for rationalization** in the first half in order to improve efficiency and competitiveness of the structures of the two main businesses and to contrast the difficult economic climate, with consequent **restructuring charges** in the first half of 2008 amounting to **21.2 million** euros.

Pirelli & C. SpA Group Results

Consolidated revenues as of 30 June 2008 amounted to **2,685.3 million** euros, **up 2.7%** compared with the figure in the first half of 2007 net of the exchange rate effect and of the effect of sales relating to the deconsolidation of real estate assets of DGAG (2,614.9 million euros). Taking into account the DGAG effect, sales as of 30 June 2007 amounted to 3,192.6 million euros.

EBIT before restructuring charges in the tyre and real estate businesses amounted to **211.5 million** euros, **down 4.4%** compared with 221.3 million euros in the first half of 2007. Taking into consideration restructuring charges, which amounted to 21.2 million euros, EBIT amounted to **190.3 million** euros. **EBIT including results from equity participations**, which also included the effect of companies valued according to the shareholders' equity method and dividends from other non-consolidated equity participations, amounted to **97.9 million** euros. This result was affected by a lesser contribution from Pirelli RE equity participations, due to the slowdown in the real estate market, and above all to the 155 million euro writedown of the 1.36% stake in Telecom Italia held by the Group.

As an effect of that writedown, **consolidated net income of businesses in operation**, after financial charges of 26.6 million euros and tax charges of 68.7 million euros, amounted to **2.6 million** euros, down from 188.4 million euros in the first half of 2007. The **total consolidated net result** was **negative** for **9.5 million** euros, compared with a positive figure of 198.3 million euros in the same period of 2007. The Group's **attributable consolidated net result** was **negative** for **36.2 million** euros, compared with a positive figure of 108.2 million euros in the first half of 2007.

Total consolidated shareholders' equity as of 30 June 2008 was **3,002.4 million** euros, compared with 3,804.1 million euros at the end of 2007 and 3,187.5 million euros as of 31 March 2008. **Consolidated shareholders' equity attributable** to the Group as of 30 June 2008 amounted to **2,608.1 million** euros (0.49 euros per share), compared with 2,980.2 million euros (0.56 euros per share) at the end of 2007 and 2,772.5 million euros (0.516 euros per azione) as of 31 March 2008.

The **net financial position** of the Group as of 30 June 2008 was **negative** for **823 million** euros, an improvement over the negative figure of 851 million euros as of 31 March 2008. The net financial position as of 31 December 2007 was positive for 302.1 million euros: the variation, in the half, was essentially due to the effects of repurchase of the Pirelli Tyre minority stakes, to seasonal cycles in working capital, to the payment of dividends, to the purchase of shares in Pirelli RE and to deconsolidation of the facility management business from Group perimeters.

Employees of the Group as of 30 June 2008 counted **31,368** (of which 3,717 temporary) compared with 30,813 as of 31 December 2007.

Pirelli Tyre

Revenues of **Pirelli Tyre** as of 30 June 2008 amounted to **2,166.3 million** euros, with **growth** on a like-for-like basis of **3%** compared with the first half of 2007. Net of the exchange rate effect (negative for 2.3%), revenues increased by 0.7%. The increase in sales, notwithstanding a market contracting in Europe and North America, was due essentially to a **focus on high value added segments** and to the **price component** (price/mix +4.3% compared with the first half of 2007).

EBITDA before restructuring charges amounted to **286.5 million** euros (**13.2%** of revenues), down 5% compared with 301.7 million euros in the first half of 2007. **EBIT before restructuring charges** amounted to **191 million** euros (**8.8%** of revenues), compared with 206.3 million euros in the first half of 2007. The decline in operating results compared with the same period of 2007 was linked to an unfavorable automotive market scenario, as well as a significant increase in the cost of raw materials and energy and lower sales volumes in replacement channels, in Europe and North America, despite the positive contribution of the price/mix factor and greater volumes in original equipment, especially in Latin America. Restructuring actions started in Europe in order to effectively contrast the current scenario and strengthen the competitive structure, have brought charges of 5 million euros in the first half. Taking into consideration restructuring charges, EBIT amounted to 186 million euros.

Net income as of 30 June 2008 amounted to **101.7 million** euros, compared with a result of 117.4 million euros in the first half of 2007.

The **net financial position was negative** for **773.4 million** euros, an improvement over the figure as of 31 March 2008 (negative for 843.8 million euros). The variation compared with a negative position of 559.6 million euros as of 31 December 2007 is essentially due to distribution of dividends for 89.9 million euros and to the seasonal cycle of working capital.

Employees of Pirelli Tyre as of 30 June 2008 counted **28,583** (of which 3,473 temporary), compared with 27,224 at the end of 2007.

In the ***Consumer*** business (*Car/Light Truck* and *Motorcycle tyres*), revenues as of 30 June 2008 amounted to 1,494.3 million euros (+3.1% at constant exchange rates). EBIT before restructuring charges amounted to 126.8 million euros, down by 22.3 million euros compared with the same period of 2007 due to four factors: a negative trend in volumes, an unfavorable mix of sales channels, not completely recovering production factors cost increases and start-up costs for the car tyre factories in China and Romania.

In the *Car/Light Truck* segment, the first half was characterized by the launch on the European market of the new Pirelli Cinturato, a modern high-tech revisitation of the tyre that made history in the tyre industry. The new Cinturato, produced in P4 and P6 models, has already been chosen for original equipment supply of the most widely distributed models of many of the major European automakers, and has received important recognition by major specialized magazines and by the Automobile Clubs of Germany, Austria and Switzerland. In the Winter segment the new Winter Sottozero Series 2 has been launched, a tyre characterized by a special, performing grip in conditions of snow and wet asphalt, to guarantee safe driving in Winter. In the *Motorcycle* segment revenues grew for the Pirelli and Metzeler brands. Sales were positive in the original equipment channel, while in the replacement channel there was significant growth in Latin America and an increase in Europe, despite a market decline in the second quarter.

In the ***Industrial*** business (*tyres for Industrial Vehicles and Steelcord)*, revenues in the first half amounted to 672 million euros, with an increase of 2.5% at constant exchange rates compared to the first half of 2007. EBIT, which stood at 64.2 million euros, rose by 7 million euros compared with the same period of the previous year.

In the *tyres for Industrial Vehicles* segment, strong sales growth in Latin America and in other rapidly developing markets more than offset the negative situation in the European market, which has become accentuated in recent months. Sales in the *Steelcord* segment were substantially stable compared with the same period the previous year.

Pirelli RE

Pirelli RE is an **alternative fund & asset manager** in the real estate sector, which manages funds and companies that own real estate and non-performing loans in which it co-invests through minority stakes, aligning its interests with those of investors. It should be noted that pro-quota aggregate revenues and EBIT including results from equity participations are the most important indicators of the Group's performance, expressing respectively its share of turnover and trend in earnings.

Assets under management, including the acquisition of “Highstreet” (the investment company holding the real estate properties leased to German department store chain Karstadt) completed last 28 July, reached 18.7 billion euros, up 25% compared with 15 billion euros in December 2007, placing Pirelli RE among the main asset managers in Continental Europe. Pirelli RE’s average equity participation is 25%.

Pro-quota aggregate revenues as of 30 June 2008 amounted to **681.3 million** euros, compared with 745.5 million euros as of 30 June 2007 (net of the effect of sales relative to deconsolidation of DGAG assets).

EBIT including results from equity participations before restructuring charges (of 16.2 million euros) amounted to **49.2 million** euros, compared with 105.7 million euros in the first half of 2007 (net of the effects of the temporary consolidation of DGAG). Excluding fair value revaluation of real estate properties, EBIT including results from equity participations was 43.5 million euros compared with 56.4 million euros in the first half of 2007. It should be noted that first half figure in 2007 included 42 million euros of capital gains relating to the sale of 49% of Pirelli RE Facility. Taking into consideration restructuring charges, EBIT including income from equity participations as of 30 June 2008 amounted to 33 million euros.

Consolidated **net income** as of 30 June 2008 amounted to **9 million** euros, compared with 80.1 million euros in the first six months of 2007.

The **net financial position** as of 30 June 2008 was **negative** for **270.5 million** euros, an improvement compared with 300.3 million euros as of 31 March 2008 and 289.7 million euros as of 31 December 2007.

Capital activities (results relating to real estate rentals, capital gains from real estate and/or company sales and fair value valuations of assets) generated as of 30 June 2008 EBIT including results from equity participations, before restructuring charges, of 35.3 million euros, compared with 58.6 million euros as of 30 June 2007 (net of the effects of temporary DGAG consolidation). Excluding fair value revaluation of real estate properties, EBIT including results from equity participations was 29.6 million euros, compared with 9.3 million euros in the first half of 2007. **Management** activities, overall, generated in the first half of 2008 pro-quota aggregate revenues of 404.8 million euros compared with 349.1 million euros as of 30 June 2007. Revenues from the current period include 17 million euros in payment for the sale of the management business of the Berenice Fund. Management activities generated EBIT including results from equity participations, before restructuring charges, of 28.6 million euros compared with 23.3 million euros as of 30 June 2007.

For further information on the performance of real estate activities please refer to the press release issued on 4 August by Pirelli & C. Real Estate.

Pirelli Broadband Solutions

Revenues of **Pirelli Broadband Solutions**, the Group company which operates in the field of technology for broadband access, amounted to **63.4 million** euros as of 30 June 2008, **significantly higher** (**+22.6%**) than in the first half of 2007 (51.7 million euros).

EBIT was **positive** for **3.2 million** euros, a net improvement compared with the figure for the first half of 2007 (positive for 0.3 million euros).

The **net result** was **positive** for **0.2 million** euros, compared with a loss of 0.7 million euros in the first half of 2007.

The **net financial position** of the company as of 30 June 2008 was **negative** for **26.7 million** euros.

Employees as of 30 June 2008 counted **106**.

For Pirelli Broadband Solutions the first half of 2008 was characterized by an increase in volumes compared with the same period in 2007, in particular in the set-top-boxes line through completion of the range of products for IPTV (Internet Protocol Television). In terms of geographic positioning, international expansion of business continues in Latin America and especially in Europe. During the period, there was further development and consolidation of the product portfolio, currently composed of six different lines: residential and small business access gateways, set-top-boxes, extenders (products to create domestic broadband networks), terminals for fixed-mobile convergence and remote management systems.

During the first half, finally, Pirelli Broadband Solutions signed an agreement with Nokia Siemens for cooperation on development of "femtocells", a technology that favours development of third generation broadband communications in domestic environments.

Other businesses

The other activities of the Group, in the sectors of **renewable energy** (**Pirelli Ambiente**), **sustainable mobility** (**Pirelli Eco Technology**) and **fashion** (**Pirelli PZero**) registered as of 30 June 2008 **revenues** of **36.3 million** euros, **up 3.7%** compared with the first half of 2007 (35 million euros).

EBIT was negative for **7.4 million** euros (-3.1 million euros as of 30 June 2007), affected in particular by start-up costs for new manufacturing and sales activities for particulate filters.

Employees as of 30 June counted **144**, compared with a headcount of 95 as of 31 December 2007.

Sales revenues came mainly from low environmental impact fuel Gecam-the "white diesel", including in the French market through the Gecam France unit, and from growth of the new line of business of particulate filters for reduction of diesel vehicle emissions. In the first half, sales of filters for heavy diesel vehicles began in some European countries. In addition, work continued to build the new factory to produce particulate filters for original equipment in the County of Gorj in Romania, which will be operative in the second half of this year.

Business activities continued in renewable energy production from waste (CDR-Q), in the photovoltaic sector, and in environmental recovery.

Prospects for the current year

Pirelli Tyre, in light of the current market scenario, and of the persistence of inflationary trends on costs of raw materials and production factors, forecasts for the second half EBIT before restructuring charges substantially in line with the same period in 2007, barring further deterioration of markets of reference. Restructuring actions should also allow the company to present a more efficient structure and manufacturing base, for the benefit of future years.

Pirelli RE, thanks to ongoing restructuring actions, and if some negotiations currently underway are finalized, expects it will be possible to confirm EBIT including results from equity participations, before restructuring charges, for the full year, in line with that of the previous year (net of the effects of temporary consolidation of DGAG). Given the persistence of a situation of uncertainty in financial markets, and the worsening of the macroeconomic scenario, the company notes that the risks of not closing certain negotiations/transactions could influence the possibility of reaching its targets.

The **other businesses** of the Group and the **corporate activities** are expected to post an operating result in line with 2007.

Relevant facts which occurred after 30 June 2008

On 9 July, Pirelli & C. SpA entered into possession of 100% of the share capital of Speed SpA, a company holding 38.9% of Pirelli Tyre SpA, following the purchase, already announced last 11 March, of the last 19.19% stake.

On 24 July, Pirelli and US company CyOptics launched a strategic alliance in integrated next-generation photonics. On the basis of the agreement, PGT Photonics, the Pirelli Group photonics company (valued at about 40 million dollars including available cash), was integrated into CyOptics. At the same time, Pirelli participated in a capital increase of CyOptics with a cash contribution of 20 million dollars. Following the transaction, Pirelli became a shareholder in CyOptics with a stake of about 30%.

On 28 July, a consortium of RREF Alternative Investment, Pirelli RE, Generali Group and Borletti Group completed the acquisition of 49% of Highstreet, the investment company holding the real estate property leased to German department store chain Karstadt.

Pirelli, Russian Technologies State Corporation and the Russian region of Samara announced today that they signed an agreement in the context of the negotiations currently underway between Pirelli and Russian Technologies aiming to set up an industrial joint venture in Russia. The new company will build a car and industrial vehicle tyre plant in the Togliatti area with an initial capacity of 4.2 million tyres per year, for an investment of approximately 250 million euros.

Bonds maturing in the 18 months following 30 June 2008

On 21 October 2008, the bond loan with value of 500 million euros issued by Pirelli & C. SpA in 1998 at a fixed rate of 4.875% will expire.

On 7 April 2009, the bond loan with value of 150 million euros issued by Pirelli & C. SpA in 1999 at a fixed rate of 5.125% will expire.

Conference call

The results of operations as of 30 June 2008 will be illustrated today at 4:30 p.m. during a conference call in which the Chairman of Pirelli & C. SpA, Marco Tronchetti Provera and the Group's top management, will intervene. Journalists will be able to follow the presentation by telephone, without the possibility to ask questions, by calling the number **+39 06 33486868.** The presentation will also be available via webcast – in real time – on the website www.pirelli.com, in the Investor Relations section, where it will be possible to consult the slides.

The Manager mandated to draft corporate accounting documents of Pirelli & C. S.p.A., Claudio De Conto, declares – as per art. 154-bis, comma 2 of the Testo Unico della Finanza – that the accounting information contained in this press release corresponds to the documented results, books and accounting registers.

In this press release, in addition to the financial performance measures established by IFRS, certain non-IFRS measures originated from the latter are presented although they are not required by IFRS ("Non-GAAP Measures"). These performance measures are presented for purposes of a better understanding of the trend of operations of the Group and should not be construed as a substitute for the information required by IFRS. Specifically, the "Non-GAAP Measures" used are described as follows:

Gross operating profit (EBITDA): this financial measure is used by the Group as the financial target in internal business plans and in external presentations (to analysts and investors). It represents a useful unit of measurement for the evaluation of the operating performance of the Group as a whole and for each single segment, in addition to the Operating Income. The Gross Operating Profit is an intermediate performance measure represented by the Operating Income from which depreciation and amortization are subtracted.

Results from participations: results from participations consists of all the effects recorded in the income statement referring to investments that are not consolidated line-by-line. These include dividends, the share of the earnings (losses) of companies accounted for using the equity method, impairment losses of available-for sale financial assets and gains (losses) on the disposal of available-for-sale financial assets.
Movements in the fair value of assets available-for-sale that are recognized directly in equity are excluded.

Net financial position: this performance measure is represented by the gross financial debt less cash and cash equivalents as well as other interest-earning financial receivables.

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For the purpose of allowing for more complete information on the results as of 30 June 2008, attached are the consolidated summary figures of the balance sheet and profit and loss account included in the interim financial statements approved by the Board of Directors. It should be noted that such tables are not the object of review by the auditor, and that this latter has not yet completed its review of the interim financial statements.

Attachment 1

PIRELLI & C. S.p.A. GROUP

(million euros)

	30/06/2008	30/06/2007	31/12/2007
. Revenues	**2,685.3**	3,192.6	6,499.9
. Revenues (excluding DGAG deconsolidation)	**2,685.3**	2,662.7	5,204.3
. EBITDA (before restructuring charges)	**316.8**	326.5	593.9
% on revenues (excluding DGAG deconsolidation)	**11.8%**	12.3%	11.4%
. **EBIT (before restructuring charges)**	**211.5**	221.3	381.3
% on revenues (excluding DGAG deconsolidation)	**7.9%**	8.3%	7.3%
. Restructuring charges	**(21.2)**	-	-
. **EBIT**	**190.3**	221.3	381.3
% on revenues (excluding DGAG deconsolidation)	**7.1%**	8.3%	7.3%
. Income from equity participations	**(92.4)**	127.5	195.3
. **EBIT incl. income from eq. part. before restructuring charges**	**119.1**	348.8	576.6
. EBIT incl. income from eq. part.	**97.9**	348.8	576.6
. Financial charges/income	**(26.6)**	(81.2)	(137.8)
. Tax charges	**(68.7)**	(79.2)	(133.5)
. **Net result businesses in operation**	**2.6**	188.4	305.3
% on revenues (excluding DGAG deconsolidation)	**0.1%**	7.1%	5.9%
. **Net result discontinued operations**	**(12.1)**	9.9	18.3
. **Total net result**	**(9.5)**	198.3	323.6
. Net result attributable to Pirelli & C. S.p.A.	**(36.2)**	108.2	164.5
. Attributable net result per share (in euro)	**(0.007)**	0.020	0.031
. Shareholders' equity	**3,002.4**	4,692.3	3,804.1
. Shareholders' equity attributable to Pirelli & C. S.p.A.	**2,608.1**	3,859.2	2,980.2
. Shareholders' equity per share (in euro)	**0.486**	0.719	0.555
. Net financial position (assets)/liabilities	**823.0**	2,969.2 *	(302.1)
. Employees (at the end of the period)	**31,368**	31,270	30,813
. Number of plants	**24**	24	24
Pirelli & C. shares in circulation			
. ordinary (n. million)	5,233.1	5,233.1	5,233.1
treasury shares	*2.6*	*2.6*	*2.6*
. savings (n. million)	134.8	134.8	134.8
treasury shares	*4.5*	-	-
. Total shares	5,367.9	5,367.9	5,367.9

* including DGAG deconsolidation impact.

Attachment 2

BUSINESSES IN OPERATION	30.06.2008					
(million euros)	Tyre	Real Estate	Broadband	Others activities	Others	TOTAL
. Revenues	2,166.3	423.4	63.4	36.3	(4.1)	**2,685.3**
. EBITDA (before restructuring charges)	286.5	35.3	3.6	(6.8)	(1.8)	**316.8**
. **EBIT (before restructuring charges)**	**191.0**	**29.4**	**3.2**	**(7.4)**	**(4.7)**	**211.5**
. Restructuring charges	(5.0)	(16.2)	-	-	-	**(21.2)**
. EBIT	186.0	13.2	3.2	(7.4)	(4.7)	**190.3**
. Income from equity participations	0.3	19.8	-	(0.5)	(112.0)	**(92.4)**
. **EBIT incl. income from eq. part. before restructuring charges**	**191.3**	**49.2**	**3.2**	**(7.9)**	**(116.7)**	**119.1**
. EBIT incl. income from eq. part.	186.3	33.0	3.2	(7.9)	(116.7)	**97.9**
. Financial charges/income	(29.7)	(11.1)	(2.8)	(0.8)	17.8	**(26.6)**
. Tax charges	(54.9)	(10.5)	(0.2)	(0.1)	(3.0)	**(68.7)**
. **Net result businesses in operation**	**101.7**	**11.4**	**0.2**	**(8.8)**	**(101.9)**	**2.6**
. Net financial position (assets)/liab.	773.4	270.5	26.7	10.2	(257.8)	**823.0**

BUSINESSES IN OPERATION	30.06.2007					
(million euros)	Tyre	Real Estate	Broadband	Others activities	Others	TOTAL
. Revenues	2,151.4	951.7	51.7	35.0	2.8	**3,192.6**
. Revenues (excluding DGAG)		421.8				**2,662.7**
. EBITDA	301.7	24.2	0.8	(2.8)	2.6	**326.5**
. **EBIT (before restructuring charges)**	**206.3**	**19.5**	**0.3**	**(3.1)**	**(1.7)**	**221.3**
EBIT	206.3	19.5	0.3	(3.1)	(1.7)	**221.3**
. Income from equity participations	0.4	105.9	-	-	21.2	**127.5**
. **EBIT incl. income from eq. part. (before restructuring charges)**	**206.7**	**125.4**	**0.3**	**(3.1)**	**19.5**	**348.8**
. EBIT incl. income from eq. part.	206.7	125.4	0.3	(3.1)	19.5	**348.8**
. Financial charges/income	(28.3)	(23.5)	(1.0)	(0.1)	(28.3)	**(81.2)**
. Tax charges	(61.0)	(16.6)	-	-	(1.6)	**(79.2)**
. **Net result businesses in operation**	**117.4**	**85.3**	**(0.7)**	**(3.2)**	**(10.4)**	**188.4**
. Net financial position (assets)/liab.	695.5	1,094.8	17.9	6.3	1,154.7	**2,969.2**