PRESS RELEASE

THE BOARD OF DIRECTORS OF PIRELLI & C. SPA APPROVES DRAFT 2008 FINANCIAL STATEMENTS

- REVENUES STABLE AT 4,660.2 MILLION EUROS (-0.1% ON A LIKE-FOR-LIKE BASIS NET OF THE EXCHANGE RATE EFFECT)
- EBIT BEFORE RESTRUCTURING CHARGES: 187.4 MILLION EUROS (364 MILLION EUROS IN 2007); EBIT AFTER RESTRUCTURING CHARGES 43.2 MILLION EUROS
- NET RESULT: -412.5 MILLION EUROS (+323.6 MILLION EUROS IN 2007) AFTER RESTRUCTURING CHARGES OF 144.2 MILLION EUROS, WRITEDOWNS OF REAL ESTATE ASSETS OF 136 MILLION EUROS, WRITEDOWNS OF EQUITY PARTICIPATIONS OF 263 MILLION EUROS (173 MILLION EUROS FOR TELECOM ITALIA)
- ATTRIBUTABLE NET RESULT: -347.5 MILLION EUROS (+164.5 MILLION EUROS IN 2007)
- NET FINANCIAL POSITION NEGATIVE FOR 1,027.7 MILLION EUROS, STABLE COMPARED WITH 30 SEPTEMBER 2008
- PIRELLI TYRE: EBIT BEFORE RESTRUCTURING CHARGES 250.7 MILLION EUROS AND POSITIVE NET RESULT OF 25.6 MILLION EUROS

Milan, 10 March 2009 - The Board of Directors of Pirelli & C. SpA, which met today, reviewed and approved **2008 draft financial statements.**

The fiscal year was **heavily conditioned by the international financial crisis,** which determined a marked slowdown in the world economy with a harsh impact on the automotive and real estate industries. In order to confront that scenario, the group launched **profound restructuring actions** during the course of the year, accelerating in the fourth quarter when faced with prospects which for 2009 as well impose measures that can guarantee efficiency and competitiveness.

Overall, the Group closed the year with revenues essentially stable on a like-for-like basis and net of exchange rate effects, and declining EBIT, though still positive even after restructuring charges, compared with 2007. The net result, a loss of 412.5 million euros, reflected restructuring charges of 144.2 million euros, writedowns of real estate assets for 136 million euros, and writedowns of listed financial assets for 263 million euros, of which 173 million euros for the Telecom Italia stake.

In the core **tyre** business, Pirelli Tyre, notwithstanding a heavily negative scenario, closed 2008 with slightly higher revenues on a like-for-like basis and net of exchange rate effects, and a net profit, though significantly lower than in the previous year. Margins were affected by the increase in raw materials prices, which in 2008 brought greater costs of about 200 million euros, as well as the crisis in the automobile industry, which hurt the original equipment channel. In order to contrast that scenario, the company initiated restructuring actions to strengthen the competitiveness of the industrial footprint in Europe and reduce costs of central structures.

In **real estate**, the market suffered from a year of serious international crisis. Falling prices, a slowdown in transactions, and the credit crunch penalized all companies in the industry. In order to confront the changed scenario, Pirelli RE announced at the end of last year a process of cost cutting and reorganization focused on the two territorial macro areas of Italy and Germany/Poland, less exposed to the volatility of the real estate market, to relaunch the businesses and bring value to the high-quality assets in the portfolio.

Pirelli & C. SpA Group

At consolidated level, **revenues** as of 31 December 2008 amounted to 4,660.2 million euros, in line with (-0.1%) on a like-for-like basis, and net of exchange rate effects (-3% including those effects) compared with the 4,780 million euros of 2007 without considering revenues relating to deconsolidation of real estate assets of DGAG. Including the DGAG effect, revenues as of 31 December 2007 amounted to 6,075.6 million euros. Revenues generated from "green" products accounted for 19% of the Group total at year end.

EBITDA before restructuring charges stood at 396.1 million euros, compared with 572.8 million euros in 2007.

EBIT before restructuring charges was 187.4 million euros compared with 364 million euros in 2007.

The decline in EBIT before restructuring charges compared with 2007, net of the change in consolidation perimeter (-21.4 million euros for the DGAG effect) and net of writedowns of real property of Pirelli RE (-9 million euros), was 146.2 million euros and was mainly due to the performance of Pirelli Tyre (-107.4 million euros was the change in EBIT before restructuring charges compared with 2007) and of Pirelli RE (-29.7 million euros), which suffered from the difficult market scenario (declining volumes in Europe and North America together with significant growth in manufacturing factor costs for tyres, and a slowdown in transactions for the real estate business).

EBIT amounted to 43.2 million euros including **restructuring charges for the full year**, which amounted to 144.2 million euros and were due to rationalization of staff and of the manufacturing base in Europe for Pirelli Tyre, and of rationalization of structures for Pirelli RE.

In 2008 the Group, taking into account the negative performance of financial markets, adjusted its book value of equity participations in listed companies with writedowns of 263 million euros, of which 173 million euros relating to the stake in Telecom Italia, 66 million euros for RCS Mediagroup and 24 million euros for Avanex.
The slowdown in the real estate market triggered real estate writedowns by Pirelli RE of a total of 136 million euros.

These dynamics affected **EBIT including income from equity participations**, which was negative for 323.3 million euros compared with +512.6 million euros in 2007.

The **net result of operational business activities** was negative for 475.9 million euros, compared with a positive value of 255.8 million euros at the end of 2007. The **result of business operations sold** was positive for 63.4 million euros and included the sale of Pirelli Real Estate Facility (+74.6 million euros), and the sale of the photonics business (-11.2 million euros).

The total net result was a loss of 412.5 million euros, compared with a net profit of 323.6 million euros in 2007. The **net result attributable** to Pirelli & C. SpA was a loss of 347.5 million euros compared with an attributable net profit of 164.5 million euros in 2007.

Consolidated net equity as of 31 December 2008 was 2,374.4 million euros, compared with 3,804.1 million euros at the end of 2007. **Net equity attributable to Pirelli & C. SpA** on the same date was 2,171.8 million euros (0.405 euros per share) compared with 2,980.2 million euros (0.555 euros per share) at the end of 2007.

The **net financial position of the Group** as of 31 December 2008 was negative for 1,027.7 million euros. The 2008 figure was affected by, in particular, the repurchase of 38.9% of Pirelli Tyre (835.5 million euros) and the repurchase of Turkish minorities (43.3 million euros) as part of a strategy to strengthen the tyre business, as well as the payment of dividends (168 million euros). At the end of 2007 the net financial position was positive for 302.1 million euros. The **net financial position at corporate level** as of

31 December 2008 was positive for 537 million euros. As of 31 December 2008, **a total of 785 million euros of committed credit lines was available**, which, together with balance sheet **liquidity** (370 million euros), allow the group not to have a need to refinance for the next two years.

In 2008 the Group confirmed its attention to **research and development,** where spending amounted to 156 million euros, with an incidence on sales of 3.3%.

Employees of the Group as of 31 December 2008 counted 30,980 compared with 30,813 as of 31 December 2007.

Parent company Pirelli & C. SpA closed the fiscal year with a loss of 189.5 million euros affected directly or indirectly by the writedowns on listed equity participations for 263 million euros. Thus it is not foreseen that any dividend will be distributed. The loss will be covered through the use of existing reserves.

It should be noted that the photonics business and that of Integrated Facility Management of Pirelli RE, sold during the year, are considered "discontinued operations" and thus contribute only to the net result. For homogeneity of representation, the comparison with 2007 data is done on a like-for-like basis.

Pirelli Tyre

Revenues of **Pirelli Tyre** as of 31 December 2008 amounted to 4,100.2 million euros, down 1.5% compared with 2007 (4,161.7 million euros). The organic variation (net of exchange rate effects) was a 1.3% increase, thanks to good performance of the price/product mix component (+7.3%), deriving from a continuing focus on the highest product segments and price increases that compensated for a decline in volumes (-6% compared with 2007).

EBITDA before restructuring charges was 441.2 million euros, down 19.6% compared with 548.6 million euros in 2007. **EBIT before restructuring charges** stood at 250.7 million euros, down 30% compared with 358.1 million euros in 2007.
The reduction in EBIT compared with 2007, notwithstanding good commercial performance in terms of price/mix, was due to a market scenario that was unfavourable in volume terms in Europe and North America, combined with a strong increase in costs of manufacturing factors, in particular of raw materials, up 195 million euros compared with 2007 (150 million euros in the second half).
Restructuring actions begun in Europe in order to effectively confront this scenario and strengthen the competitive footprint brought about charges of 100 million euros in 2008, of which 68 million euros in the last quarter of the year. Considering restructuring charges, 2008 EBIT amounted to 150.7 million euros.

The dynamics described, together with greater financial charges, affected **net profit**, which amounted to 25.6 million euros as of 31 December 2008, compared with 210.5 million euros at the end of 2007.

The **net financial position** was negative for 1,266.8 million euros, compared with a negative 559.6 million euros at the end of 2007. The change was mainly related to the payment of dividends (93 million euros), consolidation of net debt of Speed (409 million euros) following the merger with Pirelli Tyre which took place at year end, the purchase of minorities in Turkey (43 million euros) and absorption of cash (161 million euros) deriving from ordinary business activity.

In the ***Consumer*** **business** ***(Car/Light Truck and Motorcycle Tyres),*** revenues stood at 2,801 million euros overall, - 2.1% compared with 2007 due to the negative performance of volumes (-5.8% mainly in Europe and in North America. In this context Pirelli Tyre focused on higher product segments with a consequent positive variation of price/mix (+6.5% at annual level), which compensated for the negative trend in volumes. Net of exchange rate effects, organic growth of Consumer revenue stood at +0.7%. Operating income from ordinary operations was 139 million euros compared with 253 million euros in 2007, affected by the above-mentioned decline in volumes and the strong increase in raw materials costs.

In the *Industrial* business *(Tyres for Industrial Vehicles and Steelcord)* revenues were 1,299 million euros overall, in line with 2007 (1,300 million euros). The decline in volumes was greater in the Industrial segment (-6.6% compared with 2007) in consideration of the highly cyclical nature of the business (greater correlation with macroeconomic trends and with those of certain specific sectors, such as public works, large construction projects, etc.); this performance was more than compensated by the positive variation in price/mix (+9.1% compared with 2007) with consequent revenue growth in organic terms (net of exchange rate effects) of 2.5%. Operating income from ordinary operations amounted to 112 million euros, slightly higher than the 106 million euros in 2007 thanks to the positive strategic positioning of Pirelli Tyre with 87% of overall production in low cost areas and 75% of sales in emerging markets.

Net investments amounted to 285 million euros (262 million euros in 2007) and, coherently with the Group's strategy and market demand, were utilized for developing innovative processes, increasing production in China and Romania, and developing new "green performance" products.

Pirelli Tyre maintained relatively flat its costs for **Research and Development** (145 million euros compared with 148 million euros in 2007), keeping its focus on all ongoing activities in product and process innovation.

The **headcount** of Pirelli Tyre as of 31 December 2008 was 28,601 compared with 27,224 at the end of 2007. The increase was a consequence of investments made by the Group in areas such as Brazil, China and Romania.

Pirelli RE

At the end of 2008 **assets under management** of Pirelli RE had a market value of **17.3[1] billion euros, of which 15.4 billion euros in properties** (12.6 billion euros as of 31 December 2007) **and 1.9 billion euros in non-performing loans - NPL** (2.4 billion euros as of 31 December 2007).
The increase in properties, from 12.6 billion to 15.4 billion euros was due to acquisitions (of approximately 5 billion euros, of which the Highstreet portfolio accounts for 4.6 billion euros), the transfer of management of the Berenice and Teodora funds to another fund manager (-1 billion euros), property writedowns (-0.6 billion euros), sales (-0.9 billion euros) and other changes (+0.3 billion euros).

Rents totalled 669.2 million euros (535.8 million euros in 2007), of which Pirelli RE's portion was 164.9 million euros compared with 158.3 million euros in 2007.
Real estate sales in 2008 amounted to 864.9 million euros (1,804.9 million euros in 2007), of which the Pirelli RE portion was 361.8 million euros (526.8 million euros in 2007). The sales margin was 19% (22% in 2007).

Consolidated revenues amounted to 365.1 million euros, compared with 334.1 million euros as of 31 December 2007[2] (net of DGAG).

EBIT including net income from equity participations, before restructuring costs and property writedowns/revaluations, was negative for 59.7 million euros compared with a positive 83.6 million euros in 2007 (net of DGAG). The decrease of 143.3 million euros comprised 29.7 million euros in lower EBIT and for 113.6 million euros in lower income from equity participations (mainly attributable to 74 million euros in lower sales volumes, 21.6 million euros in lower success fees from capital activities[3] and 18 million euros in fair value adjustments on interest rate hedging instruments).
Restructuring carried out in 2008 cost 44.2 million euros; writedowns booked in 2008 amounted to 135.8 million euros, compared with 67.5 million euros in revaluations in 2007; **EBIT including net**

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1 Market value as of 31 December 2008, with the exception of NPLs which are listed at book value based on the estimates of independent appraisers.
2 Net of the sale of DGAG properties at cost through the disposal of shares to the joint ventures with RREEF and MSREF for 1,295.6 million euros.
3 Capital activities include the net income generated by Pirelli RE's investments in funds and companies (primarily sales and rents); management activities include the net income generated by the company through its fund and asset management activities and specialized services (property, facility, agency).

income from equity participations was therefore a negative 239.7 million euros (compared with a positive 151.1 million euros in 2007, net of DGAG).

Consolidated net income amounted to a negative 195 million euros (compared with a positive 162.8 million euros in 2007, net of DGAG), including 74.6 million euros deriving from discontinued operations, following the sale of the equity participation in Integrated Facility Management.

The **NAV** of real estate assets attributable to Pirelli RE amounted to **0.8 billion euros**, the balance between its pro-quota portion of the market value of the assets held by Pirelli RE (3.8 billion euros) and its portion of the net financial positions of the same, equal to 3 billion euros.

Attributable net equity as of 31 December 2008 amounted to 361.7 million euros, compared with 715.7 million euros at the end of 2007: the reduction mainly reflected the net consolidated loss (-195.0 million euros), the distribution of dividends (-85.1 million euros) and the decrease in the reserve for interest rate hedges (-54.4 million euros).

The **net financial position** at the end of 2008 was negative for 289.5 million euros, improved by 34.3 million euros since 30 September 2008 (negative for 289.7 million euros as of 31 December 2007). The adjusted net financial position (excluding shareholder loans to companies in which minority shareholding were held) was negative for 861.8 million euros, improved from 934.5 million euros as of 30 September 2008 (816.1 million euros as of 31 December 2007). The **gearing ratio** went from 1.52 at the end of September 2008 to 2.35 on 31 December 2008 (1.13 at the end of the previous year).
The **total net financial position of real estate funds and vehicle companies invested in by Pirelli RE as of 31 December 2008** amounted to 11.3 billion euros, of which 10.1 billion euros of bank debt and 1.2 billion euros of shareholder loans. The **total net financial position of the NPLs** amounted to 1.7 billion euros.

Pirelli RE's total share of the financial position of the funds and investment vehicles was 3.6 billion euros (of which 0.4 billion euros of shareholder loans relating to real estate and 0.2 billion euros in shareholder loans relating to NPLs). Bank debt of 3 billion euros was comprised of 2.6 billion euros for real estate and 0.4 billion euros for NPLs. **This debt, which has an average residual life of 3.6 years, is secured against the properties and NPLs underlying the loans.**

The Group had, excluding temporary workers, 1,473 **employees** as of 31 December 2008 (2,956 at the end of 2007, of whom 1,168 working in businesses sold in the year, primarily the Integrated Facility Management joint venture sold on 23 December).

It should be noted that the activities of Integrated Facility Management, sold during the course of the year, are considered "discontinued operations" and thus contribute only to the net result. For homogeneity of representation, the comparison with 2007 data is on a like-for-like basis.

Other businesses

In 2008 revenues of **Pirelli Broadband Solutions,** the company in the Group that operates in solutions for broadband access, amounted to 124.6 million euros, up 10.8% compared with 112.5 million euros in 2007. EBITDA was positive for 4.8 million euros, compared with 1.9 million euros in 2007, while EBIT was positive for 3.9 million euros, decidedly stronger than the 0.9 million euros of 2007. Net profit stood at 2 million euros (after financial charges of 2.6 million euros), compared with a loss of 2.6 million euros in 2007.

Pirelli & C. Eco Technology, the company in the Group which operates in the area of sustainable mobility – especially particulate filters – had 2008 revenues of 62.9 million euros compared with 67.4 million euros in 2007. EBIT was negative for 11.8 million euros (-3.8 million euros in 2007) and included the increase in structural costs due to internationalization of the retrofit filters business and costs sustained for the start-up of the particulate filter factory in Romania. In 2008 activities relating to development and marketing of post-treatment diesel filter systems greatly intensified.

For **Pirelli & C. Ambiente** sales revenue amounted to 5.1 million euros compared with 2.7 million euros in 2007, with negative EBIT of 2.6 million euros (3.6 million euros in 2007). In the photovoltaic sector, where the company operates with its venture Solar Utility, the company had volumes of current initiatives and those under development for generators of total power of about 50Mw, of which 3.1Mw finished and 9Mw being built in 2009.

Direction and co-ordination of Pirelli & C. Real Estate SpA

The Board of Directors, having reconsidered its previous assessments, found that – including following recent changes made to the organizational structure and the nature of operations which call for increased involvement in business activities and functions of the subsidiary Pirelli & C. Real Estate SpA – there is now a direction and co-ordination activity exercised by Pirelli & C. vis a vis the subsidiary, pursuant to article 2497 et seq of the Italian Civil Code. This matter was already evaluated during the Board meeting of Pirelli & C. Real Estate SpA.

Shareholders' meeting

The Board of Directors resolved to call the Shareholders' meeting for approval of the financial statements for the 2008 fiscal year on 20 April (first call) and 21 April (second call).

The ordinary Shareholders' meeting will additionally be called upon to resolve upon appointment of the Board of Statutory Auditors according to a list system.

Prospects for the current year

In a macroeconomic scenario that continues to present critical elements and uncertainties, the Pirelli Group has already begun, and will continue to develop, the necessary measures to increase its competitiveness and to improve efficiency. For 2009, as announced on occasion of the presentation of the 2009-2011 industrial plan on 11 February, Pirelli expects revenues of about 4.3 billion euros, of which 25% linked to environmental businesses, up from 19% at the end of 2008. ROS is targeted at 4.5%-5%. The net financial position at the end of the year is expected to be negative for about one billion euros, essentially in line with the level at the end of 2008.

Noteworthy events which occurred after 31 December 2008

- **Technology collaboration with Brembo and Magneti Marelli**

  On 27 January Pirelli announced the start of technological collaboration with Brembo and Magneti Marelli for development of cutting edge solutions for the Italian and international automotive industry. The skills and excellence of the three groups will allow for significant synergies to be realized and for development of applications, in particular in the field of automobile safety and for reduction of environmental impact, in line with the evolution of international regulations and with new European Union C02 emissions limits to start in 2012.

- **Presentation of the 2009-2011 industrial plan**

  On 11 February the Pirelli Group presented guidelines for its 2009-2011 industrial plan. The goal in the three-year period is a transformation that brings the Group to greater focus on its core businesses (Pirelli Tyre and the particulate filters of Pirelli Eco Technology), to be a "green performer" in its business sectors and to have the financial flexibility to sustain growth.

- **Proposed capital increase of Pirelli RE**

  On 5 March the Board of Directors of Pirelli RE confirmed the resolutions adopted in February by approving an operation designed to strengthen the capital structure and to support its new business model, with a proposal to make a divisible increase in share capital for cash payment, to be offered in pre-emption to shareholders, for a maximum amount of 400 million euros.

As for the terms of the increase, it is envisaged that the shareholders' meeting will give the Board a mandate to set, among other things, the issue price with reference to the theoretical "ex rights" price (TERP) of Pirelli RE ordinary shares, and the stock's performance in view of prevailing market conditions, as well as the market practice for similar transactions. Furthermore the issue price of the new shares may not be less than their nominal value, as provided for by law.

On 10 February the parent company, Pirelli & C., expressed its full support for the capital increase, committing itself to underwriting its share of the rights and declaring its willingness to underwrite any shares which, at the end of the offer process, are not underwritten. Pirelli & C. will fulfil its commitment by converting part of its loans to Pirelli RE into equity.

It is foreseeable that the transaction will be completed in the first half of the current year, assuming that it receives the approval of the extraordinary shareholders' meeting called together with the ordinary shareholders' meeting, which, among other things, will resolve upon approval of the financial statements as of 31 December 2008, and that the required authorizations are also obtained from the relevant authorities. The legally required documentation will be published within the necessary deadline.

Bonds maturing in the 18 months after 31 December 2008

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

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.
Income from participations: income 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.

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.

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The 2008 financial results will not be discussed on a conference call with analysts and investors, given that the preliminary 2008 figures and relating business dynamics were already illustrated to the financial markets on 11 February on occasion of the presentation of the 2009-2011 Industrial Plan. This press release and presentation of 2008 financial results will be available on the website www.pirelli.com.

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In order to allow for more complete information on the results obtained as of 31 December 2008, attached are summary consolidated figures included in the Report approved by the Board of Directors. It should be noted that these figures are not subject to verification by the auditing company and that this latter has not yet completed its review of the parent company Pirelli & C. SpA financial statements or of the consolidated financial statements.

PIRELLI & C. S.p.A. GROUP

(million euros)

	31/12/2008	31/12/2007
Sales	**4,660.2**	6,075.6
Sales (excluding deconsolidation DGAG)	**4,660.2**	4,780.0
EBITDA before restructuring charges	**396.1**	572.8
% on sales (excluding DGAG)	**8.5%**	12.0%
EBIT before restructuring charges	**187.4**	364.0
% on sales (excluding DGAG)	**4.0%**	7.6%
Restructuring charges	**(144.2)**	-
EBIT	**43.2**	364.0
% on sales (excluding DGAG)	**0.9%**	7.6%
Income from equity participations	**(366.5)**	148.6
Operat. income incl. income from equity part.	**(323.3)**	512.6
Financial charges/income	**(80.0)**	(133.8)
Tax charges	**(72.6)**	(123.0)
Net profit operat. activities	**(475.9)**	255.8
% on sales (excluding deconsolidation DGAG)	**(10.2%)**	5.4%
Net profit discontinued operations	**63.4**	67.8
Total net profit	**(412.5)**	323.6
Net profit attributable to Pirelli & C. S.p.A.	**(347.5)**	164.5
Attributable net profit per share (in euro)	**(0.065)**	0.031
Shareholders' equity	**2,374.4**	3,804.1
Shareholders' equity attributable to Pirelli & C. S.p.A.	**2,171.8**	2,980.2
Shareholders' equity per share (in euro)	**0.405**	0.555
Net financial position (assets)/liabilities	**1,027.7**	(302.1)
Investments	**311**	287
R&D investments	**156**	173
Employees n. (at the end of the period)	**30,980**	30,813
Number of plants	**23**	24
Pirelli & C. shares		
ordinary (n. million)	5,233.1	5,233.1
of which treasury shares	*2.6*	*2.6*
savings (n. million)	134.8	134.8
of which treasury shares	*4.5*	-
Total shares	5,367.9	5,367.9

Data by business sector

OPERATING ACTIVITIES (million euros)	31.12.2008 Tyre	Real Estate	Broadband	Other businesses	Others	TOTAL
. Sales	4,100.2	365.1	124.6	71.6	(1.3)	**4,660.2**
. **EBITDA before restructuring charges**	441.2	(17.6)	4.8	(17.4)	(14.9)	**396.1**
. **EBIT before restructuring charges**	**250.7**	**(27.0)**	**3.9**	**(18.3)**	**(21.9)**	**187.4**
. Restructuring charges	(100.0)	(44.2)	-	-	-	**(144.2)**
. EBIT	150.7	(71.2)	3.9	(18.3)	(21.9)	**43.2**
. Income from equity participations	27.8	(168.5)	-	(1.0)	(224.8)	**(366.5)**
. Operat. income incl. income from equity part.	178.5	(239.7)	3.9	(19.3)	(246.7)	**(323.3)**
. Financial charges/income	(82.8)	(26.0)	(2.6)	(1.7)	33.1	**(80.0)**
. Tax charges	(70.1)	(1.9)	0.7	0.2	(1.5)	**(72.6)**
. **Net profit operat. activities**	**25.6**	**(267.6)**	**2.0**	**(20.8)**	**(215.1)**	**(475.9)**
. Net profit discontinued operations		74.6	(10.9)		(0.3)	**63.4**
. **Total net profit**						**(412.5)**
. Net financial position (assets)/liabilities	1,266.8	289.5	(15.0)	23.1	(536.7)	**1,027.7**

OPERATING ACTIVITIES (million euros)	31.12.2007 Tyre	Real Estate	Broadband	Other businesses	Others	TOTAL
. Sales	4,161.7	1,724.4	112.5	71.4	5.6	**6,075.6**
. Sales (excluding deconsolidation DGAG)		428.8				**4,780.0**
. EBITDA	548.6	40.7	1.9	(7.6)	(10.8)	**572.8**
. **EBIT before restructuring charges**	**358.1**	**33.1**	**0.9**	**(8.5)**	**(19.6)**	**364.0**
EBIT	358.1	33.1	0.9	(8.5)	(19.6)	**364.0**
. Income from equity participations	1.5	139.4	-	(0.3)	8.0	**148.6**
. **Operat. income incl. income from equity part.**	**359.6**	**172.5**	**0.9**	**(8.8)**	**(11.6)**	**512.6**
. Financial charges/income	(55.2)	(37.5)	(3.5)	(0.5)	(37.1)	**(133.8)**
. Tax charges	(93.9)	(23.6)	-	(0.5)	(5.0)	**(123.0)**
. **Net profit operat. activities**	**210.5**	**111.4**	**(2.6)**	**(9.8)**	**(53.7)**	**255.8**
. Net profit discontinued operations		49.5	(14.8)		33.1	**67.8**
. **Total net profit**						**323.6**
. Net financial position (assets)/liabilities	559.6	289.7	21.5	5.6	(1,178.5)	**(302.1)**