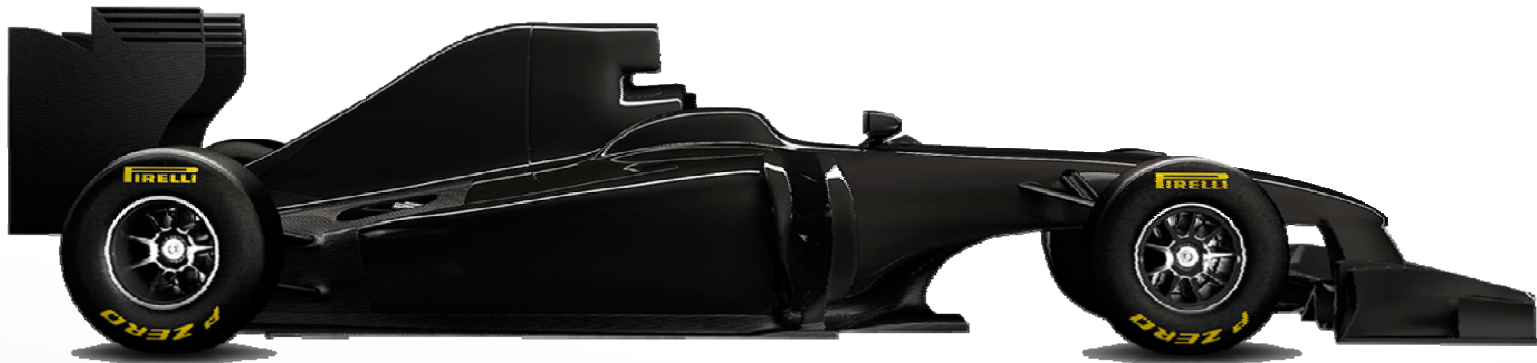




PIRELLI FY'10 RESULTS



March 8, 2011

DISCLAIMER

This presentation contains statements that constitute forward-looking statements based on Pirelli & C SpA's current expectations and projections about future events and does not constitute an offer or solicitation for the sale, purchase or acquisition of securities of any of the companies mentioned and is directed to professionals of the financial community.

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Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those expressed in or implied by these forward looking statements as a result of various factors, many of which are beyond the ability of Pirelli & C SpA to control or estimate precisely. Consequently it is recommended that they be viewed as indicative only.

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Statement

The Manager mandated to draft corporate accounting documents of Pirelli & C. SpA, Francesco Tanzi, attests – as per art.154-bis, comma 2 of the Testo Unico della Finanza (D.Lgs. 58/1998) – that all the accounting information contained in this presentation correspond to the documented results, books and accounting of the Company.

AGENDA

KEY MESSAGES

PIRELLI & C 2010 FINANCIAL REVIEW

PIRELLI TYRE 2010 RESULTS

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KEY INDUSTRY TRENDS: PIRELLI THE TRAILBLAZER

Key trends	Current	Pirelli in 2010
<ul style="list-style-type: none"> ▶ Different dynamics vs. automotive 	<ul style="list-style-type: none"> ▶ 2010 Top profitability despite high raw material cost inflation ▶ Solid pricing discipline: value is the common industry approach ▶ Timely responsiveness in a fast changing scenario 	<ul style="list-style-type: none"> ▶ Maximum profitability ever ▶ Best performer for price/mix improvement ▶ High flexibility (<i>“what if” contingency plan ready</i>)
<ul style="list-style-type: none"> ▶ Premium Market development 	<ul style="list-style-type: none"> ▶ Growing at a faster rate (3x vs market) ▶ Premium vehicle manufacturers further expanding their footprint in Asia 	<ul style="list-style-type: none"> ▶ >60% of consumer sales ▶ the only premium tyre factory in China
<ul style="list-style-type: none"> ▶ Increasing role of Emerging Markets 	<ul style="list-style-type: none"> ▶ Macro and market dynamics still favorable for EM; inflation concerns are rising 	<ul style="list-style-type: none"> ▶ 50% of our sales in 2010 (+2pp yoy) ▶ Strong track record in managing business in high-inflation countries

Clear strategy, solid financial structure and high flexibility are our strengths in managing rapid change in market scenario

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PIRELLI 2010FY RESULTS VS TARGETS*

€/bn

	FY'10 revised Targets (Nov.'10)**	FY'10 Results	Δ YoY
Revenues	~4.8	4.85	+19.2%
Tyre	>4.7	4.77	+19.5%
EBIT	~0.38	0.41	+63.3%
margin	>7.5%	8.4%	+2.3p.p.
Tyre	~0.42	0.45	+46.8%
margin	>8.5%	9.5%	+1.8p.p.
Capex	>0.35	0.4	+95%
NFP	<0.7	0.45	-14%

(*) Ebit and Ebit margin are after continuous restructuring

(**) Pirelli Re and Pirelli Broadband as discontinued operations

PIRELLI FY'10 RESULTS

March 8, 2011



PIRELLI KEY FINANCIAL RESULTS

€/mln

	FY'10	FY'09	Δ YoY	4Q'10	4Q'09	Δ YoY	4Q results key drivers
Revenues	4,848.4	4,067.5	+19.2%	1,229.7	1,055.1	+16.5%	▶ Effective pricing policy and winter sales driving tyre revenues growth
EBITDA before Restruct. Costs <i>Margin</i>	653.7 13.5%	507.8 12.5%	+28.7%	173.6 14.1%	150.2 14.2%	+15.6%	
EBIT before Restruct. Costs <i>Margin</i>	432.5 8.9%	304.9 7.5%	+41.8%	112.8 9.2%	97.3 9.2%	+15.9%	▶ Top profitability despite raw material impact (46% of FY'10 raw mat cost headwind)
Restructuring Costs	(24.7)	(55.2)		(12.3)	(27.1)		
EBIT <i>Margin</i>	407.8 8.4%	249.7 6.1%	+63.3% +2.3 p.p.	100.5 8.2%	70.2 6.7%	+43.2% +1.5 p.p.	▶ FY 2010 Tax rate reduction 1 year earlier
PBT <i>Tax rate</i>	365.4 37.6%	168.0 53.8%		94.6	44.6		
Income before discontinued operations (Adj. Income)	228.0	77.6	+193.8%	67.7	31.1	+117.7%	▶ Further portfolio reshaping: PBS sold in 4Q 2010, Cyoptic stake (34.4%) sold on Jan 2011 (cash flow impact in 1Q 2011)
Income from discontinued operations	(223.8)	(100.2)					
Pirelli Re Net Income	(29.0)	(104.8)					
Pirelli RE separation impact	(219)	-					
PBS Net Income	3.4	4.6					
PBS Capital gain	20.7	-					
Net Income post minorities	21.7	22.7		108.7	4.5		▶ Strong cash flow generation notwithstanding record investment (48% of FY capex)
Net Debt	455.6	528.8**	-73.2 vs '09	-249.3 vs 9M 2010			

(*) Pirelli RE and Pirelli Broadband as discontinued operations, 2009 figures have been restated for the purpose of data homogeneity

(**) Net debt includes PRE/PBS

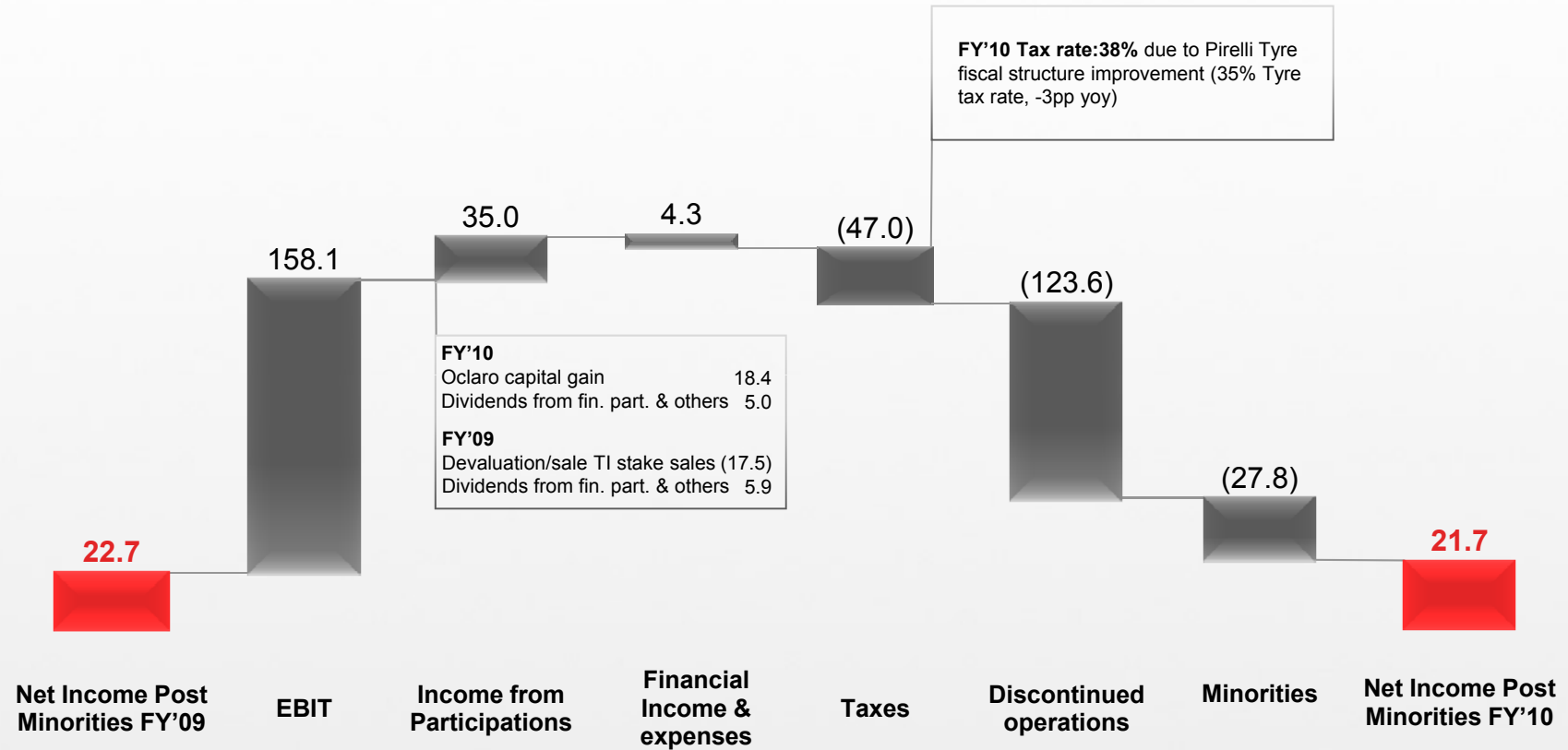
PIRELLI FY'10 RESULTS

March 8, 2011



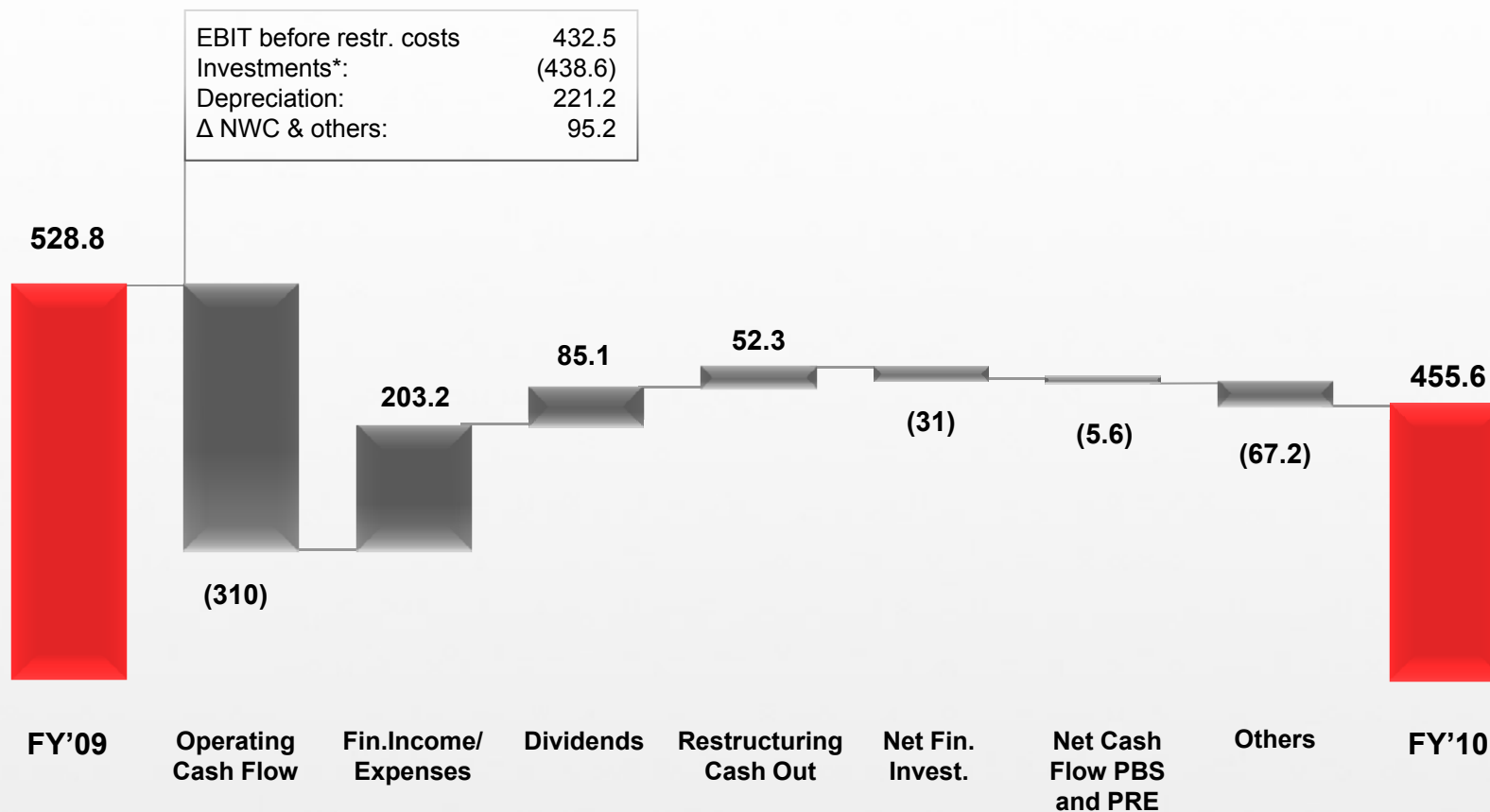
PIRELLI NET INCOME

€/mln



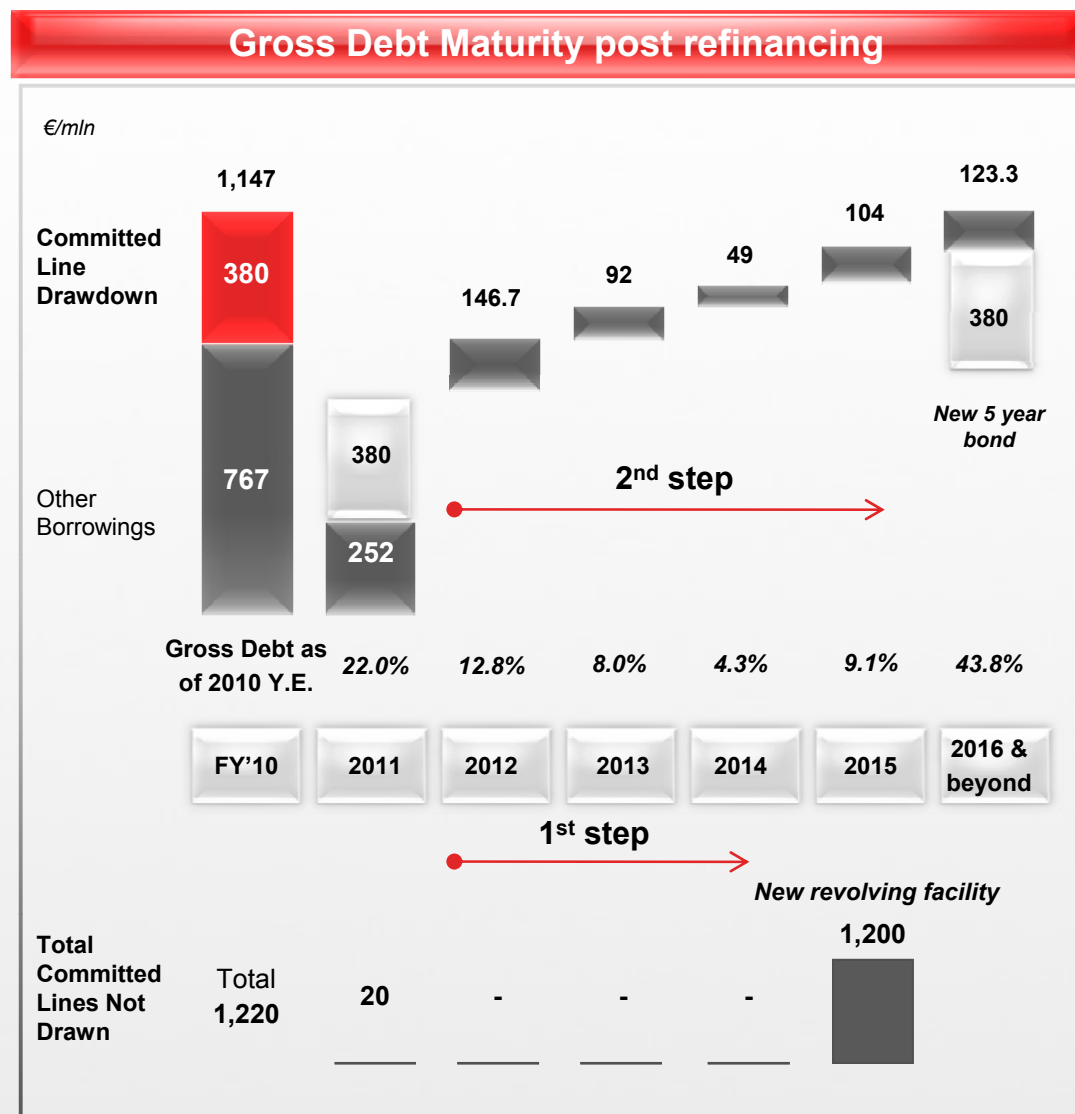
PIRELLI 2010 NET FINANCIAL POSITION

€/mln



* Tangible and intangible investments

DEBT: EXTEND MATURITY AND DIVERSIFY SOURCES



FUNDING STRATEGY DEVELOPMENT

- ▶ **1st step** November 30, 2010: **new 5-year 1.2 € bln committed revolving facilities** replacing the 2 existing ones for 1.475 €/mln maturing in 2011 and 2012
- ▶ **2nd step** February 10, 2011: successful placement of **500 € mln 5-year bond** issue on the Eurobond market (>9 times oversubscribed, over 93% placed with investors outside Italy)
- ▶ **2011 Cost of Debt:** ~5.3% (~+1pp vs. 2010FY) consistent with 2011-2013 Industrial plan targets

DIVIDEND PROPOSAL

- ▶ **Parent Company Net Income:** 87.4 €/mln (191.0 €/mln before disc. operations)
- ▶ **Dividend Proposal to be filed with Pirelli & C. AGM (21 April 2011)**

	DPS (€)		N° of Shares**	Dividends (€/mln)
	2010	2009*	<i>mln</i>	2010 Δ % yoy
Ordinary shares	0.1650	0.1595	475	78.4
Savings shares	0.2290	0.4466	12	2.7
	<i>(of which 0.2233 for the financial year 2008)</i>			81.1 stable
				93% of parent company Net Income

- ▶ **Dividend Payment Schedule**
 - ▶ **Coupon Detachment:** 23 May, 2011
 - ▶ **Dividend Payment:** starting from 26 May, 2011

**DPS restated following P&C shares reverse stock split with the ratio of 1 new share per each 11 old shares*

***Net of treasury shares: 0.4 mln ordinary shares and 0.4mln savings shares.*

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4Q RESULTS HIGHLIGHTS

- ▶ **Double digit top line growth** (+17.3% yoy) driven by solid price discipline and continuous focus on premium. Strong **winter tyre** season in **Europe**, **leadership** position in **South America**, increasing **market share** in **North America**, highest sales **growth** in **Asia**.
- ▶ **The highest profitability of the year** (10.7% Ebit margin before restructuring costs) notwithstanding the highest impact from raw materials, boosted by:
 - ▶ high-value sales
 - ▶ efficiencies and productivity gains (23 €/mln, 46% of 2010FY figures)
- ▶ **Solid cash generation**: 196.9 €/mln of operating cash flow through:
 - ▶ strong operating results improvement
 - ▶ inventory reduction
 - ▶ and tight credit policy

Notwithstanding record investments (over 185€/mln, ~50% of FY 2010)

PIRELLI TYRE PERFORMANCE

€/mln

	1Q'10	YoY%	2Q'10	YoY%	3Q'10	YoY%	4Q'10	YoY%	FY'10	YoY%
Revenues	1,110.0	+19.8%	1,215.3	+22.9%	1,233.8	+18.3%	1,212.9	+17.3%	4,772.0	+19.5%
EBITDA (before restruct. costs)	146.4	+35.8%	177.5	+33.5%	173.0	+21.8%	187.4	+20.7%	684.3	+27.2%
margin	13.2%	+1.6 p.p.	14.6%	+1.2 p.p.	14.0%	+0.4 p.p.	15.5%	+0.5 p.p.	14.3%	+0.8 p.p.
EBIT (before restruct. costs)	98.1	+60.8%	127.1	+48.7%	121.5	+28.8%	129.6	+23.8%	476.3	+37.9%
margin	8.8%	+2.2 p.p.	10.5%	+1.9 p.p.	9.8%	+0.8 p.p.	10.7%	+0.6 p.p.	10.0%	+1.3 p.p.
EBIT	95.5	+66.1%	121.8	+53.6%	117.0	+36.2%	118.8	+38.5%	453.1	+46.9%
margin	8.6%	+2.4 p.p.	10.0%	+2.0 p.p.	9.5%	+1.3 p.p.	9.8%	+1.5 p.p.	9.5%	+1.8 p.p.
Net Income	50.1	<i>n.m.</i>	60.3	+52.3%	66.2	+80.4%	76.0	+36.4%	252.6	+72.3%

► **Strong sales**
growth in all regions and in both segments

► **Focus on premium**
drives price mix to top levels

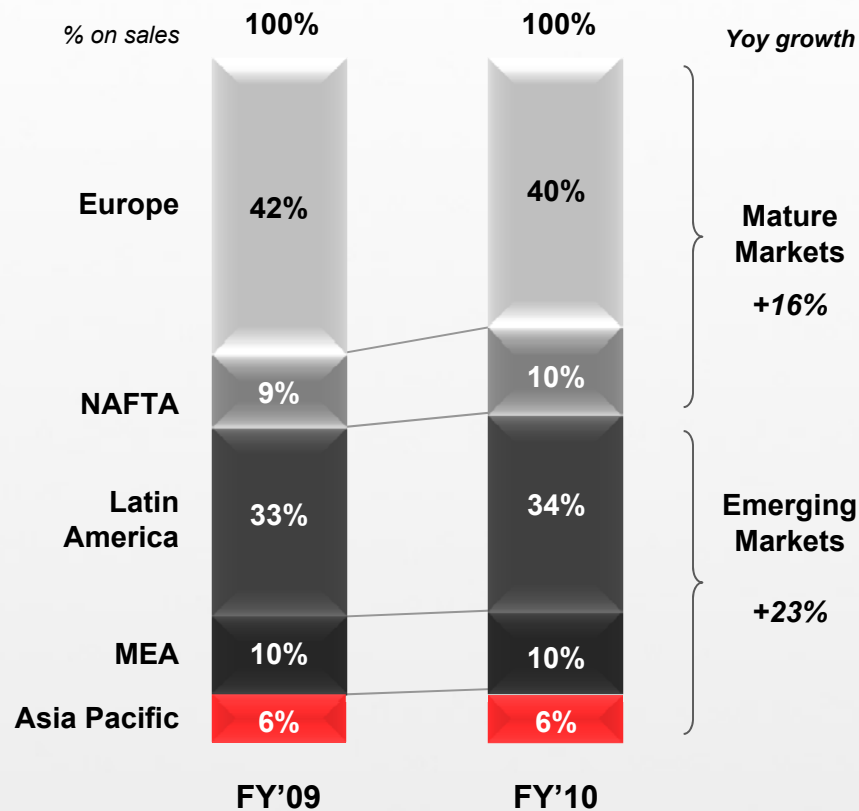
► **Volumes improvement** QoQ due to a strong winter tyre season

► **Top profitability** irrespective of the highest raw material impact: headwind more than offset by price mix

	1Q'10	2Q'10	3Q'10	4Q'10	FY'10
Revenue drivers					
△ Price/Mix	+1.4%	+10.1%	+12.3%	+11.3%	+8.9%
△ Volume	+17.4%	+7.5%	+1.8%	+3.4%	+7.3%
△ Rev. (before exch. rate impact)	+18.8%	+17.6%	+14.1%	+14.7%	+16.2%
△ Exch. Rate	+1.0%	+5.3%	+4.2%	+2.6%	+3.3%

PIRELLI TYRE BY REGION

Sales by region



FY'10 Actions and Results

Europe

- ▶ Premium and Prestige OEMs sales Increase
- ▶ Rising market share in winter tyres

NAFTA

- ▶ Enhanced market share in North America through premium strategy and higher penetration

LatAm

- ▶ Regional leadership confirmed with 2.2\$ bln sales and a double digit profitability

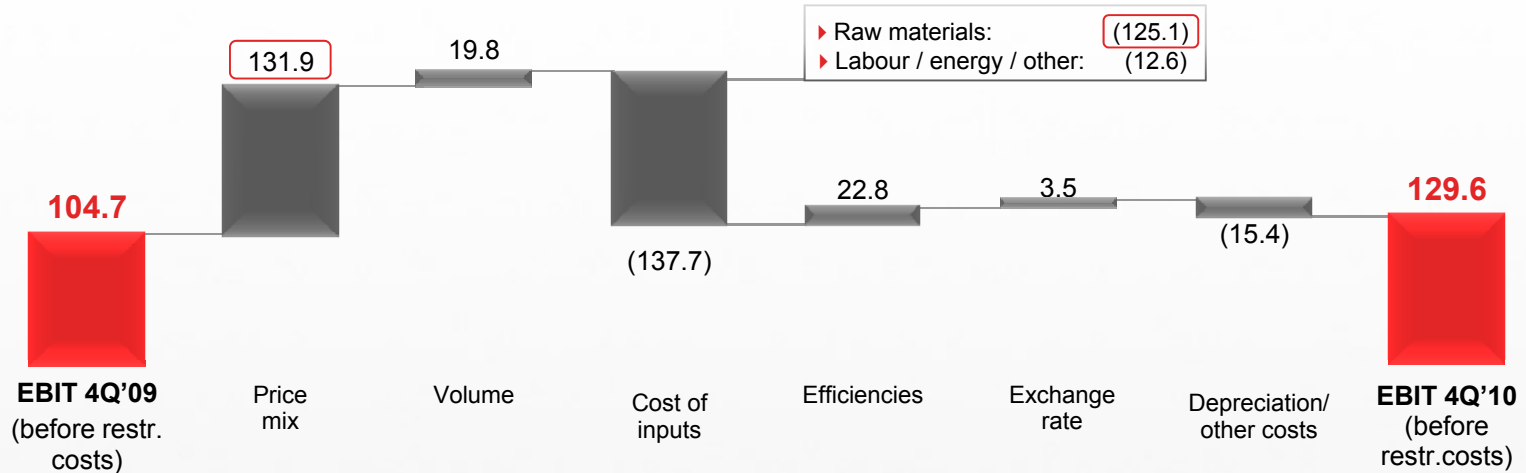
MEA & Asia-Pacific

- ▶ Double-digit growth in the Replacement segment
- ▶ Start delivering Premium OEMs in China

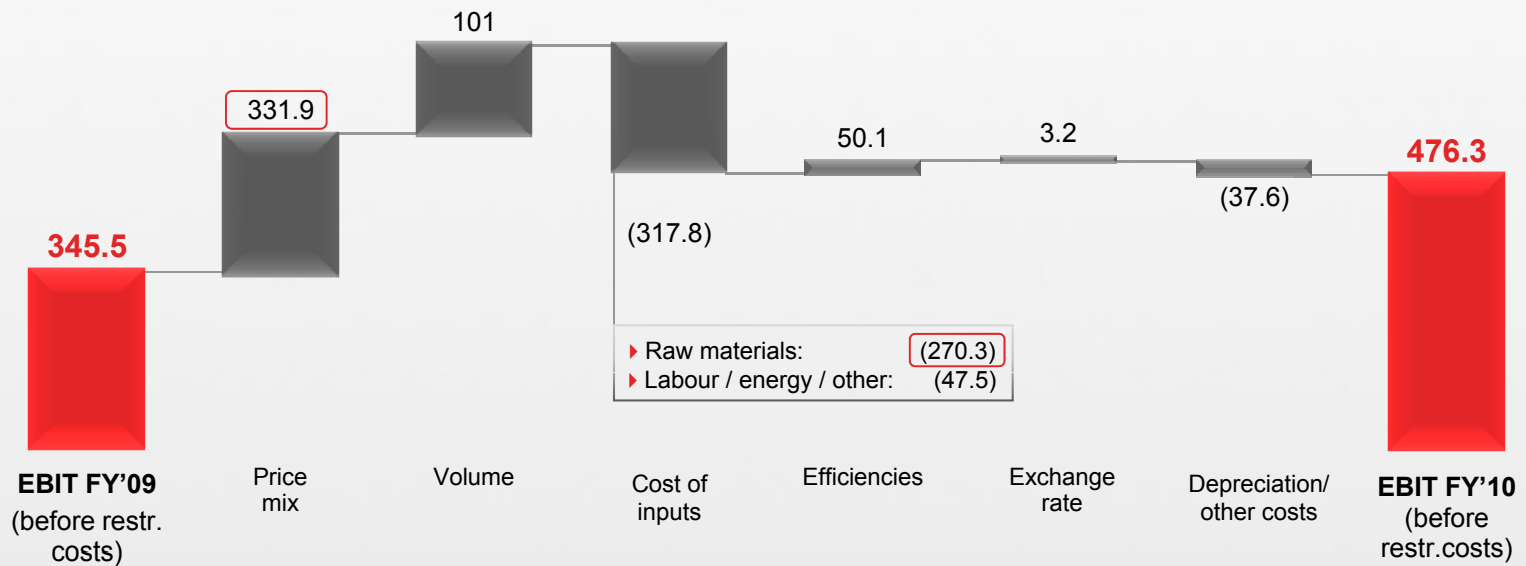
PIRELLI TYRE FY'10 OPERATING PERFORMANCE

€/mln

4Q 2010

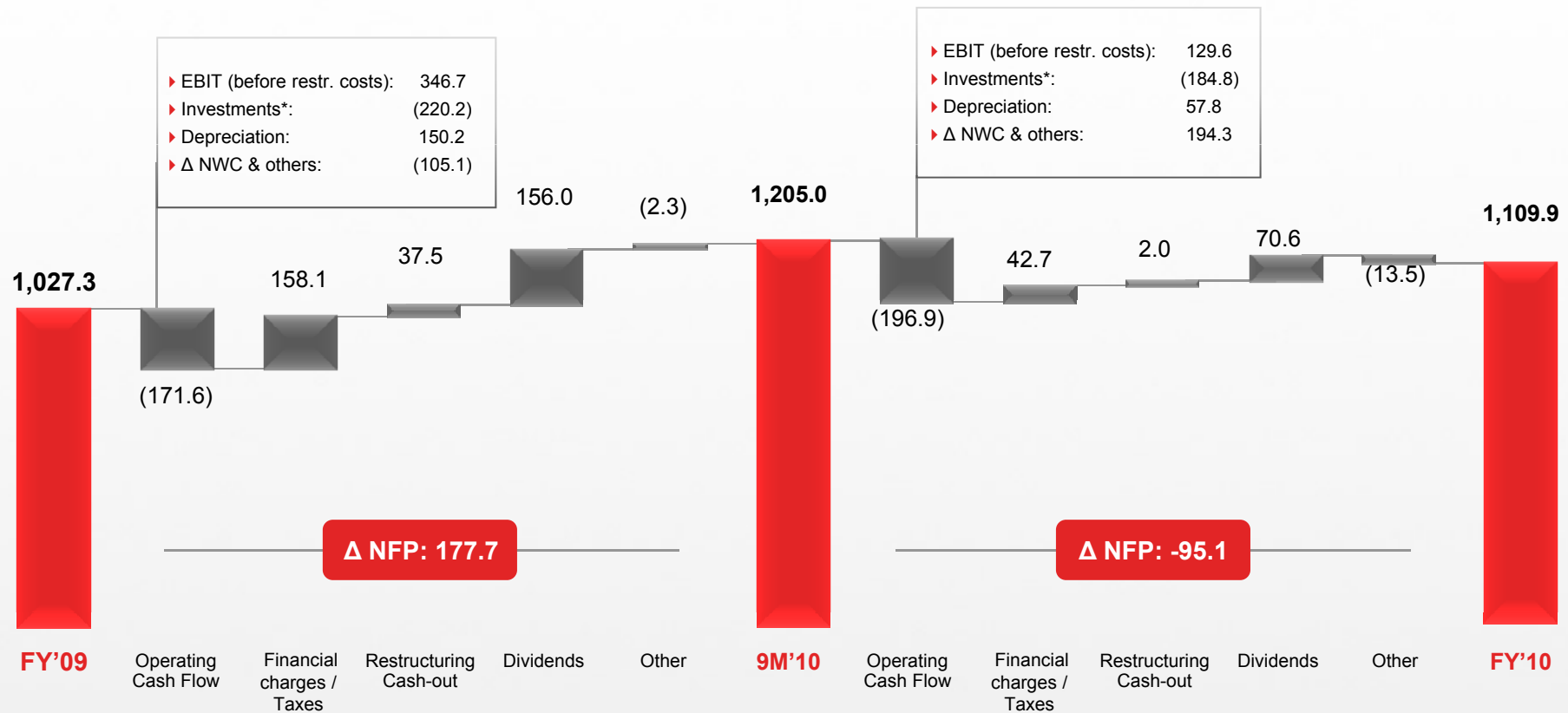


FY2010



PIRELLI TYRE NFP EVOLUTION

€/mln



- ▶ Solid FCF generation in 4Q due to strong operating performance
- ▶ Capex/Dep ratio at 1.9 with capacity increase in Premium segment
- ▶ FY net cash flow: 144 €/mln before dividends

* Tangible and intangible investments

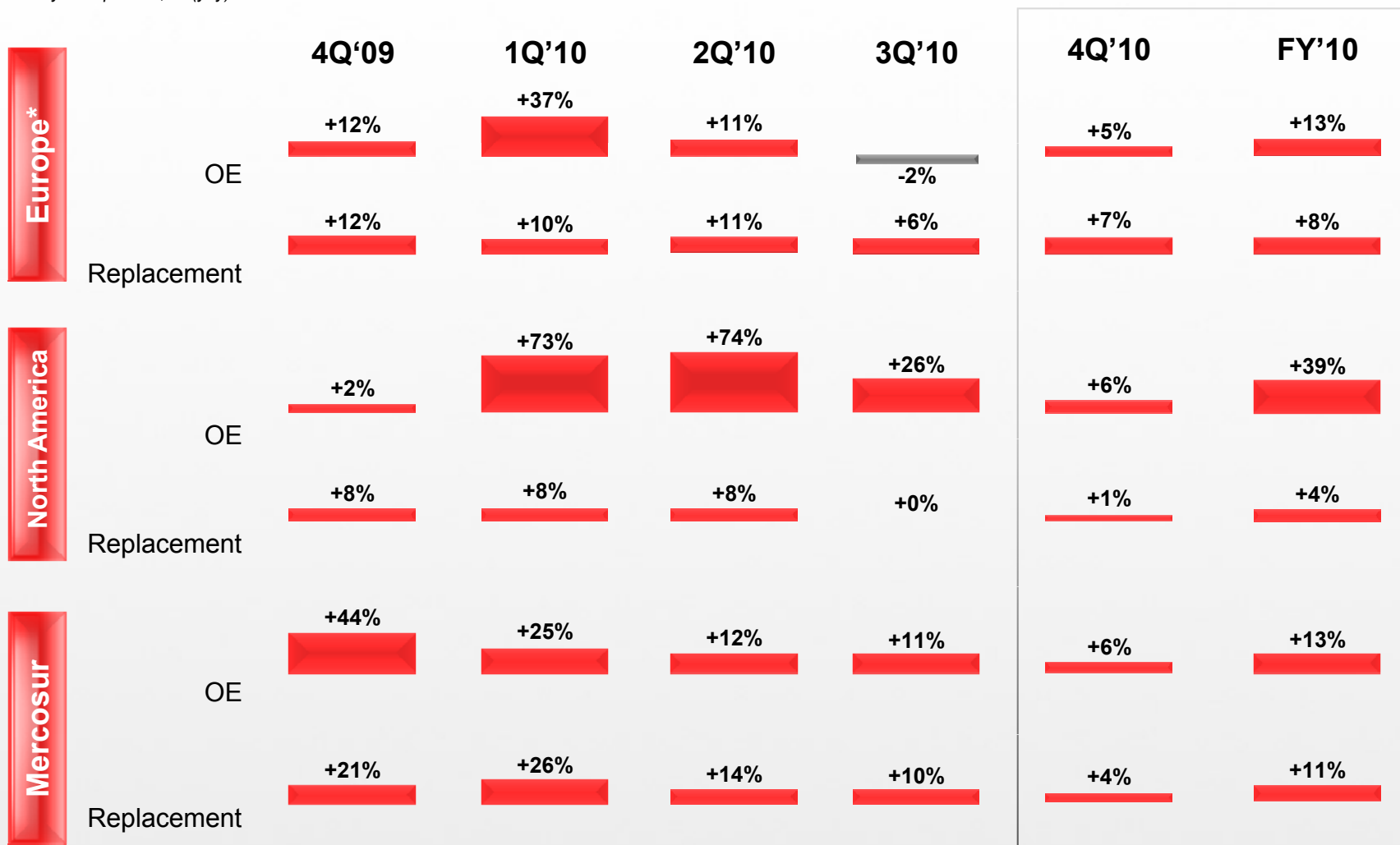
PIRELLI FY'10 RESULTS

March 8, 2011



CONSUMER BUSINESS: KEY MARKET TRENDS

Car tyre shipments, % (yoy)



* Turkey and Russia included

Sources: major external data provider for each region and Pirelli estimates

CONSUMER BUSINESS: PIRELLI PERFORMANCE

€/mln

	1Q'10	YoY%	2Q'10	YoY%	3Q'10	YoY%	4Q'10	YoY%	FY'10	YoY%
Revenues	780.9	+16.5%	835.8	+19.1%	847.1	+15.1%	836.5	+16.2%	3,300.3	+16.7%
EBITDA (before restruct. costs)	106.0	+37.0%	122.4	+35.4%	118.9	+18.5%	141.1	+26.4%	488.4	+28.6%
<i>margin</i>	13.6%	+2.1 p.p.	14.6%	+1.7 p.p.	14.0%	+0.4 p.p.	16.9%	+1.4 p.p.	14.8%	+1.4 p.p.
EBIT (before restruct. costs)	69.5	+65.9%	84.7	+55.4%	80.5	+25.6%	99.9	+36.5%	334.6	+43.2%
<i>margin</i>	8.9%	+2.7p.p.	10.1%	+2.3p.p.	9.5%	+0.8p.p.	11.9%	+1.7p.p.	10.1%	+1.8p.p.
EBIT	67.0	+67.9%	80.3	+57.5%	77.2	+30.4%	92.5	+54.9%	317.0	+51.1%
<i>margin</i>	8.6%	+2.6p.p.	9.6%	+2.3p.p.	9.1%	+1.1p.p.	11.1%	+2.8p.p.	9.6%	+2.2p.p.

	1Q'10	2Q'10	3Q'10	4Q'10	FY'10
Revenue drivers					
Δ Price/Mix	+1.2%	+8.7%	+10.7%	+9.3%	+7.6%
Δ Volume	+14.9%	+6.2%	+0.8%	+4.2%	+6.4%
Δ Rev. (before exch. rate impact)	+16.1%	+14.9%	+11.5%	+13.5%	+14.0%
Δ Exch. Rate	+0.4%	+4.2%	+3.6%	+2.7%	+2.7%

- ▶ High double-digit sales growth through strong price/mix performance in every market
- ▶ FY and 4Q Ebit margin at historical record level

NEW CONSUMER PRODUCTS



Cinturato P1

Green

Summer



Diablo Rosso II

Performance



Snowcontrol Serie III

Winter

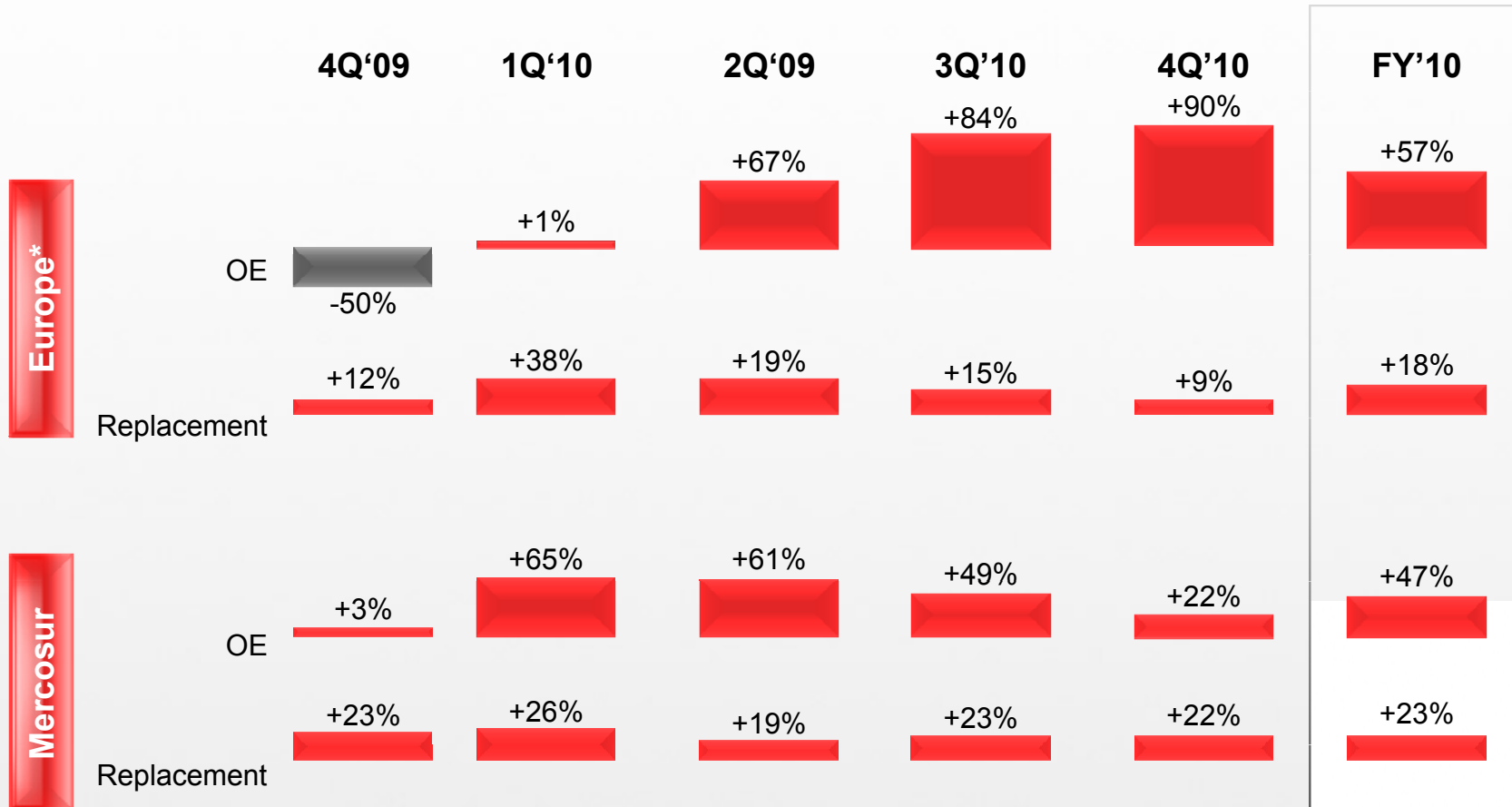


Winter ICEControl



INDUSTRIAL BUSINESS: KEY MARKET TRENDS

Car tyre shipments,



* Turkey and Russia included

Sources: major external data provider for each region and Pirelli estimates

INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

€/mln

	1Q'10	YoY%	2Q'10	YoY%	3Q'10	YoY%	4Q'10	YoY%	FY'10	YoY%
Revenues	329.1	+28.4%	379.5	+32.0%	386.7	+26.1%	376.4	+19.7%	1,471.7	+26.3%
EBITDA (before restruct. costs)	40.4	+32.9%	55.1	+29.3%	54.1	+29.7%	46.3	+6.2%	195.9	+23.8%
<i>margin</i>	12.3%	+0.4 p.p.	14.5%	-0.3 p.p.	14.0%	+0.4 p.p.	12.3%	-1.6p.p.	13.3%	-0.3p.p.
EBIT (before restruct. costs)	28.6	+49.7%	42.4	+36.8%	41.0	+35.8%	29.7	-5.7%	141.7	+26.7%
<i>margin</i>	8.7%	+1.2p.p.	11.2%	+0.4p.p.	10.6%	+0.8 p.p.	7.9%	-2.1p.p.	9.6%	+0.0 p.p.
EBIT	28.5	+61.9%	41.5	+46.6%	39.8	+49.1%	26.3	+0.7%	136.1	+37.9%
<i>margin</i>	8.7%	+1.8p.p.	10.9%	+1.1p.p.	10.3%	+1.6p.p.	7.0%	+1.3p.p.	9.2%	+0.7p.p.

	1Q'10	2Q'10	3Q'10	4Q'10	FY'10
Revenue drivers					
Δ Price/Mix	+1.8%	+13.7%	+16.2%	+15.7%	+12.3%
Δ Volume	+24.1%	+10.4%	+4.2%	+1.6%	+9.4%
Δ Rev. (before exch. rate impact)	+25.9%	+24.1%	+20.4%	+17.3%	+21.7%
Δ Exch. Rate	+2.5%	+7.9%	+5.7%	+2.4%	+4.6%

- ▶ Two-digit price/mix variation ensuring positive pull-through on 1Q 2011
- ▶ 4Q Ebit margin impacted by Natural Rubber rising costs

PIRELLI GREEN TECHNOLOGY

Technology Packages



▶ SATT: Spiral Advanced Technology for Truck



▶ DLTC: Dual Layer Tread Compound



▶ Hexa: Hexagonal Bead Wire Package



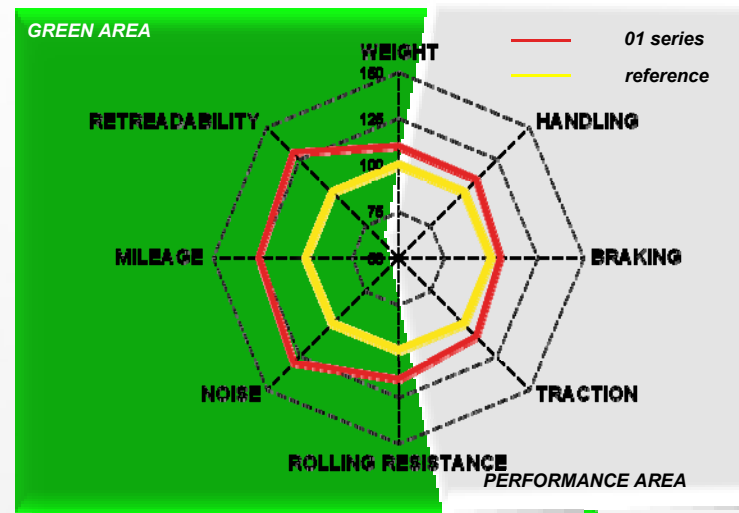
▶ High Penetration Steel Cords



▶ Green Materials and Structures

Green Performance

01
SERIES



Retreadability & Mileage



towards 1,000,000 Km

First Life	Regr1	Retread1	Regr2	Retread2
------------	-------	----------	-------	----------

Enhanced tyre lifecycle: **improved mileage** and **environmental impact**

Fuel Savings

low rolling resistance
= fuel saving >4%

lower CO₂ emissions

CUSTOMER LIFECYCLE VALUE

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2011 MARKET OUTLOOK

Volumes: a more positive outlook based on

- ▶ Low inventory levels
- ▶ Order books for both summer and winter tyres
- ▶ Higher market forecast for truck tyres

Price discipline: confirmed and effective

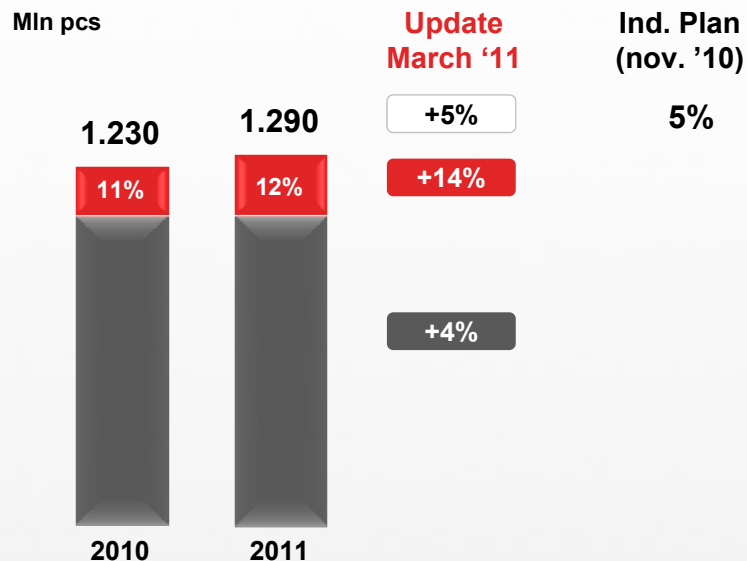
- ▶ Consumer: strong demand makes market receptive on prices increase
- ▶ Industrial: price increases are easier in rising Rapid Developing Economies

Raw Materials

- ▶ Speculation, strong demand and geopolitical crisis are driving raw mat rally
- ▶ Industry reaction: price discipline *in the short term* and diversification/reduction of natural rubber dependence *in the mid/long term*

2011 OUTLOOK: VOLUMES

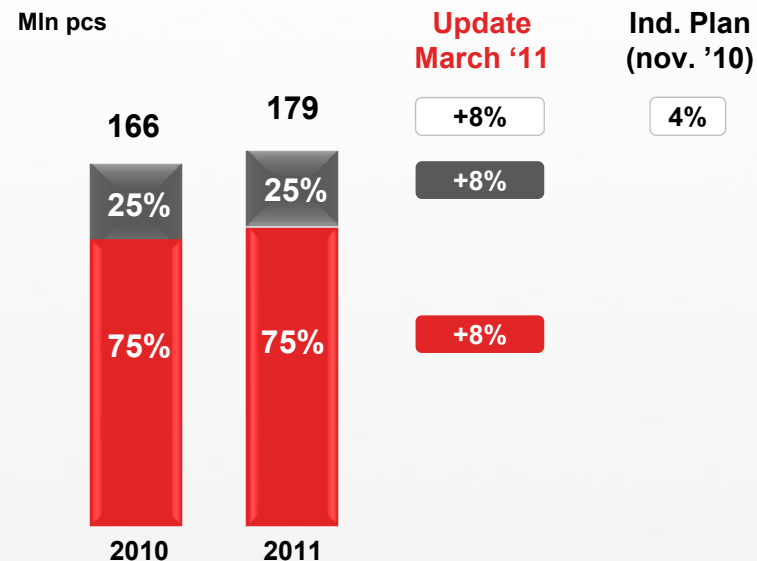
Global Tyre Car Market



Non Premium Tyres
T, H, V, VAN, SUV & Winter <H

Premium Tyres (*):
WYZ, RF, SUV & Winter ≥ H

Global Tyre Truck Market



Mature

Emerging

Category	2011 Outlook	2010 Actual
OE:	+5%	
▶ Emea	+1%	
▶ Nafta	+7%	
▶ LatAM	+5%	
▶ Asia Pacific	+6%	
Replacement:	+5%	
▶ Emea	+3%	
▶ Nafta	+3%	
▶ LatAM	+5%	
▶ Asia Pacific	+9%	

Category	2011 Outlook	2010 Actual
OE:	+7%	
▶ Emea	+30%	
▶ Nafta	+20%	
▶ LatAM	+5%	
▶ Asia Pacific	flat	
Replacement:	+8%	
▶ Emea	+6%	
▶ Nafta	+6%	
▶ LatAM	+9%	
▶ Asia Pacific	+9%	

(* revised criteria vs 2011-2013 Industrial Plan without "V" rated car tyres

2011 OUTLOOK: CAPEX PLAN

	INVESTMENTS				INVESTMENT ALLOCATION					
	Capex (€/bln)		Year End Capacity (mln pcs)		Mature	LATAM & RDE*		Mature	LATAM & RDE*	
	2010	2011	2010	2011	2010			2011		
CONSUMER	0.3	0.4	56	62	36%	42%	78%	18%	55%	73%
<i>yoy</i>			+10%	+11%						
INDUSTRIAL	0.1	>0.1	5.8	6.3	4%	18%	22%	3%	24%	27%
<i>yoy</i>			+14%	+9%						
TOTAL	0.4	>0.5			40%	60%	100%	21%	79%	100%

- ▶ Settimo Torinese high tech plant operational from 4Q, 2010
- ▶ +23% capacity increase in Premium tyres in China and Romania
- ▶ New plant in Mexico, first tyre in 2012

RDE, Rapid Development Economy

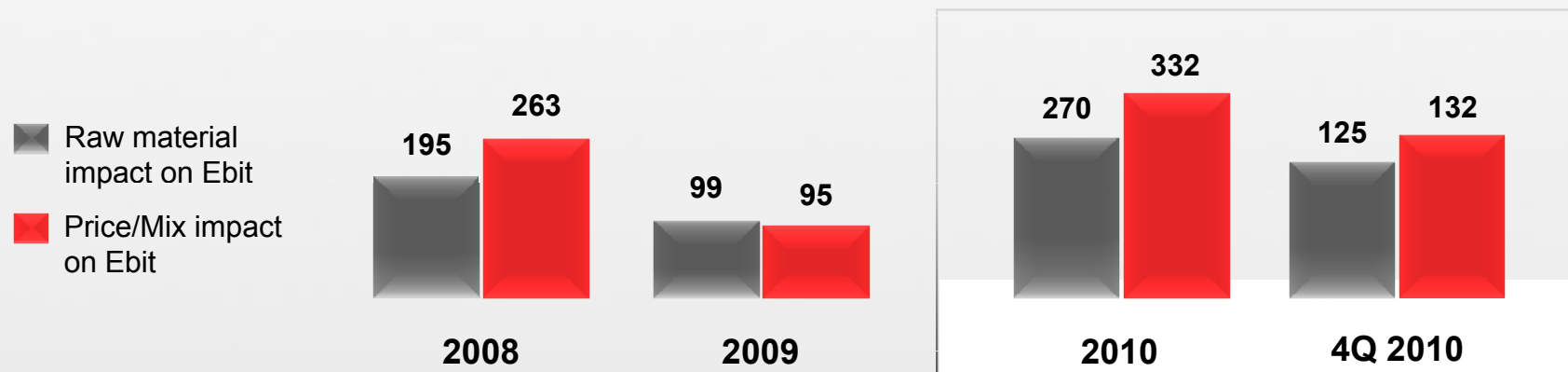
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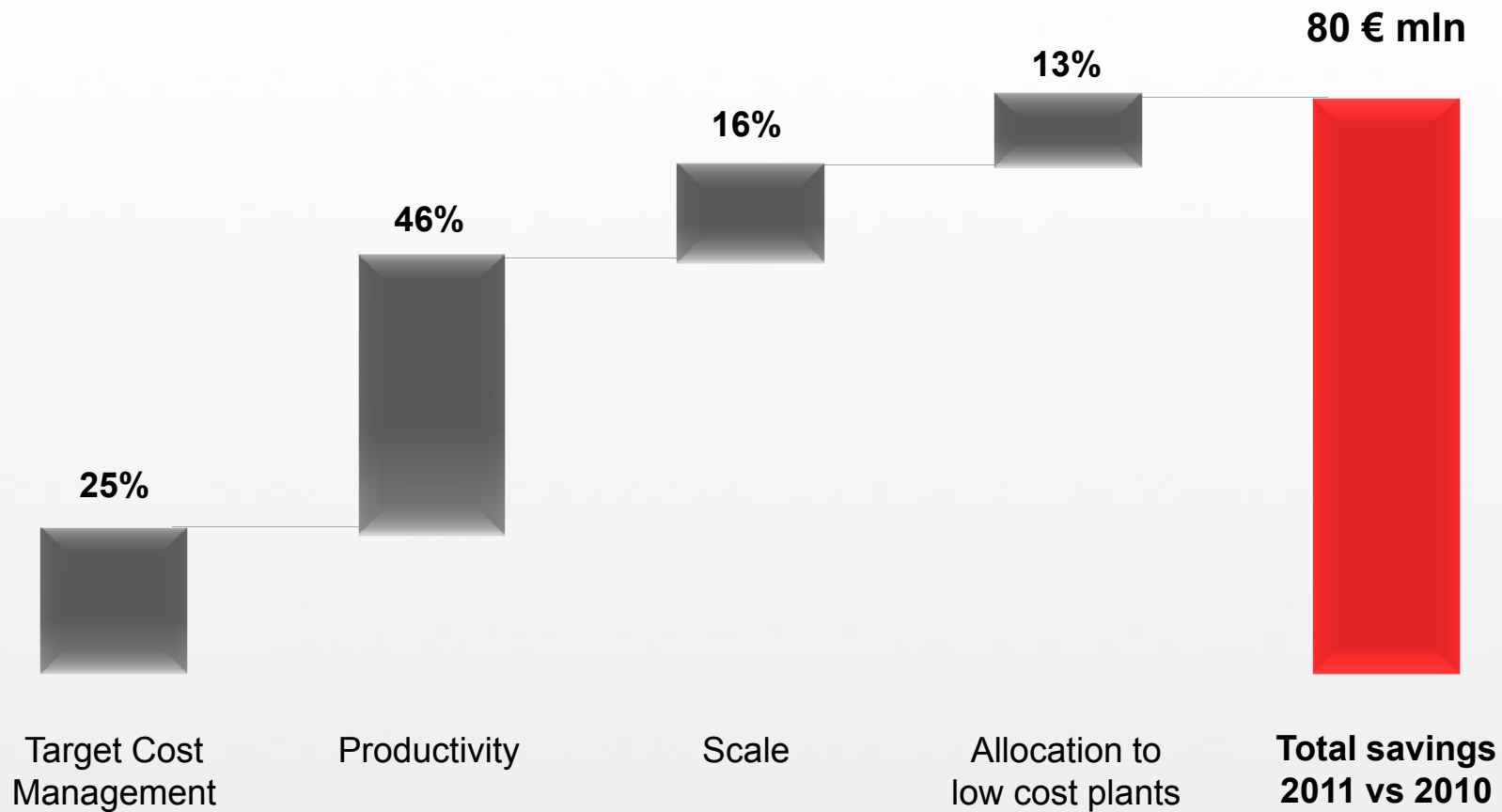


2011 OUTLOOK: RAW MATERIAL

- ▶ Raw material impact on Ebit: **580 €/mIn** assuming
 - ▶ **Natural rubber @ 4,900\$/ton** (yearly average as a cost of goods sold)
 - ▶ **Oil @ 110\$/barrel** (yearly average as a cost of goods sold)
- ▶ Cost headwind will be **fully compensated** by **price/mix** improvement
 - ▶ 80% already covered by price increases currently being applied in all markets
 - ▶ 20% to be covered with additional price increase
- ▶ Pirelli pricing power to offset raw mat impact: a **significant track record** in the industry



2011 EFFICIENCY PLAN CONFIRMED



PIRELLI 2011 TARGETS* UPDATE

€/bn

	2011 Target (Nov. 4 2010)	2011 Target Update
Revenues	>5.15	>5.55
Tyre	>5.1	>5.5
Volumes	+4%	≥+6%
Price/mix	+4%	~+12%
EBIT %	8.5% ÷ 9.5%	confirmed
Tyre	9% ÷ 10%	confirmed
Tax rate	39%/38% (-1pp/-2pp vs. 2010E tax rate)	≤38%
Capex	1.2 in 3 y	>0.5
NFP		~0.7

*Ebit and Ebit margin are after continuous restructuring

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PIRELLI GROUP – FY'10 RESULTS*

€/mln

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	FY'10	FY'09	FY'10	FY'09	FY'10	FY'09
Sales	4,772.0	3,992.9	76.4	74.6	4,848.4	4067.5
Δ%		19.5%				19.2%
EBITDA before Restruct Costs	684.3	538.0	(30.6)	(30.2)	653.7	507.8
% on sales	14.3%	13.5%			13.5%	12.5%
EBIT before Restruct Costs	476.3	345.5	(43.8)	(40.6)	432.5	304.9
% on sales	10.0%	8.7%			8.9%	7.5%
Restructuring Costs	(23.2)	(37.0)	(1,5)	(18.2)	(24.7)	(55.2)
EBIT	453.1	308.5	(45.3)	(58.8)	407.8	249.7
% on sales	9.5%	7.7%			8.4%	6.1%
Results from equity participations	(0.3)	4.2	23.1	(15.8)	23.4	(11.6)
Financial Income/Charges	(66.4)	(76.1)	0.6	6.0	(65.8)	(70.1)
EBT	387.0	236.6	(21.6)	(68.6)	365.4	168.0
Fiscal Charges	(134.4)	(90.0)	3.0	0.4	(137.4)	(90.4)
Net Result before disc. Op.	252.6	146.6	(24.6)	(69.0)	228.0	77.6
Discontinued Operations			(223.8)	(100.2)	(223.8)	(100.2)
Net Income	252.6	146.6	(248.4)	(169.2)	4.2	(22.6)
Attributable Net Income					21.7	22.7
Net Financial Position	1,109.9	1,027.3	(654.3)	(504.1)	455.6	528.8**

(*) Pirelli RE & Pirelli Broadband Solutions as discontinued operations, 2009 figures have been restated for the purpose of data homogeneity

(**) NFP includes PRE/PBS

PIRELLI GROUP – 4Q'10 RESULTS*

€/mln

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	4Q'10	4Q'09	4Q'10	4Q'09	4Q'10	4Q'09
Sales	1,212.9	1,034.3	16.8	20.8	1,229.7	1,055.1
$\Delta\%$		17.3%				16.5%
EBITDA before Restruct Costs	187.4	155.2	(13.8)	(5.0)	173.6	150.2
<i>% on sales</i>	15.5%	15.0%			14.1%	14.2%
EBIT before Restruct Costs	129.6	104.7	(16.8)	(7.4)	112.8	97.3
<i>% on sales</i>	10.7%	10.1%			9.2%	9.2%
Restructuring Costs	(10.8)	(18.9)	(1.5)	(8.2)	(12.3)	(27.1)
EBIT	118.8	85.8	(18.3)	(15.6)	100.5	70.2
<i>% on sales</i>	9.8%	8.3%			8.2%	6.7%
Results from equity participations	(0.1)	0.4	5.5	(10.8)	5.4	(10.4)
Financial Income/Charges	(13.7)	(16.4)	2.4	1.2	(11.3)	(15.2)
EBT	105.0	69.8	(10.4)	(25.2)	94.6	44.6
Fiscal Charges	(29.0)	(14.1)	2.1	0.6	(26.9)	(13.5)
Net Result before disc. Op.	76.0	55.7	(8.3)	(24.6)	67.7	31.1
<i>% on sales</i>	6.3%	5.4%			5.5%	2.9%
Net Financial Position	1,109.9	1,027.3	(654.3)	(504.1)	455.6	528.8**

(*) Pirelli RE & Pirelli Broadband Solutions as discontinued operations, 2009 figures have been restated for the purpose of data homogeneity

(**) NFP includes PRE/PBS

PIRELLI GROUP – 3Q'10 RESULTS*

€/mln

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	3Q'10	3Q'09	3Q'10	3Q'09	3Q'10	3Q'09
Sales	1,233.8	1,042.7	15.9	15.8	1,249.7	1,058.5
Δ%		18.3%				18.1%
EBITDA before Restruct Costs	173.0	142.0	1.9	(9.9)	174.9	132.1
% on sales	14.0%	13.6%			14.0%	12.5%
EBIT before Restruct Costs	121.5	94.3	(1.6)	(12.5)	119.9	81.8
% on sales	9.8%	9.0%			9.6%	7.7%
Restructuring Costs	(4.5)	(8.4)	0.0	(10.0)	(4.5)	(18.4)
EBIT	117.0	85.9	(1.6)	(22.5)	115.4	63.4
% on sales	9.5%	8.2%			9.2%	6.0%
Results from equity participations	0.0	0.0	22.0	5.8	22.0	5.8
Financial Income/Charges	(14.0)	(16.7)	0.0	0.9	(14.0)	(15.8)
EBT	103.0	69.2	20.4	(15.8)	123.4	53.4
Fiscal Charges	(36.8)	(32.5)	(3.3)	(0.6)	(40.1)	(33.1)
Net Result before disc. Op.	66.2	36.7	17.1	(16.4)	83.3	20.3
% on sales	5.4%	3.5%			6.7%	1.9%
Net Financial Position	1,205.0	1,298.6	(575.5)	(545.8)	704.9	691.4**

(*) Pirelli RE & Pirelli Broadband Solutions as discontinued operations, 2009 and 2010 figures have been restated for the purpose of data homogeneity

(**) NFP includes PRE/PBS

PIRELLI GROUP – 2Q'10 RESULTS*

€/mln

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	2Q'10	2Q'09	2Q'10	2Q'09	2Q'10	2Q'09
Sales	1,215.3	989.0	19.3	17.4	1,234.6	1,006.4
Δ%		22.9%		10.9%		22.7%
EBITDA before Restruct Costs	177.5	133.0	(14.2)	(7.0)	163.3	126.0
% on sales	14.6%	13.4%			13.2%	12.5%
EBIT before Restruct Costs	127.1	85.5	(17.5)	(9.7)	109.6	75.8
% on sales	10.5%	8.6%			8.9%	7.5%
Restructuring Costs	(5.3)	(6.2)	0.0	0.0	(5.3)	(6.2)
EBIT	121.8	79.3	(17.5)	(9.7)	104.3	69.6
% on sales	10.0%	8.0%			8.4%	6.9%
Results from equity participations	0.2	0.3	(1.3)	(20.6)	(1.1)	(20.3)
Financial Income/Charges	(22.3)	(19.9)	(0.6)	1.6	(22.9)	(18.3)
EBT	99.7	59.7	(19.4)	(28.7)	80.3	31.0
Fiscal Charges	(39.4)	(20.1)	(0.6)	0.4	(40.0)	(19.7)
Net Result before disc. Op.	60.3	39.6	(20.0)	(28.3)	40.3	11.3
% on sales	5.0%	4.0%			3.3%	1.1%
Net Financial Position	1,212.9	1,467.0	(553.5)	(664.9)	696.9	1,107.6**

(*) Pirelli RE & Pirelli Broadband Solutions as discontinued operations, 2009 and 2010 figures have been restated for the purpose of data homogeneity

(**) NFP includes PRE/PBS

PIRELLI GROUP – 1Q'10 RESULTS*

€/mln

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	1Q'10	1Q'09	1Q'10	1Q'09	1Q'10	1Q'09
Sales	1,110.0	926.9	24.4	20.6	1,134.4	947.5
Δ%		19.8%				19.7%
EBITDA before Restruct Costs	146.4	107.8	(4.5)	(8.3)	141.9	99.5
% on sales	13.2%	11.6%			12.5%	10.5%
EBIT before Restruct Costs	98.1	61.0	(7.9)	(11.0)	90.2	50.0
% on sales	8.8%	6.6%			8.0%	5.3%
Restructuring Costs	(2.6)	(3.5)	0.0	0.0	(2.6)	(3.5)
EBIT	95.5	57.5	(7.9)	(11.0)	87.6	46.5
% on sales	8.6%	6.2%			7.7%	4.9%
Results from equity participations	0.2	3.5	(3.1)	9.8	(2.9)	13.3
Financial Income/Charges	(16.4)	(23.1)	(1.2)	2.3	(17.6)	(20.8)
EBT	79.3	37.9	(12.2)	1.1	67.1	39.0
Fiscal Charges	(29.2)	(23.3)	(1.2)	(0.8)	(30.4)	(24.1)
Net Result before disc. Op.	50.1	14.6	(13.4)	0.3	36.7	14.9
% on sales	4.5%	1.6%			3.2%	1.6%
Net Financial Position	1,122.5	1,521.8	(475.8)	(519.9)	678.4	1,278.9**

(*) Pirelli RE & Pirelli Broadband Solutions as discontinued operations, 2009 and 2010 figures have been restated for the purpose of data homogeneity

(**) NFP includes PRE/PBS

PIRELLI BALANCE SHEET

€/mln

	FY'10	FY'09
Fixed Assets	3,164.1	2,936.0
Net Working Capital	116.7	115.1
Net Invested Capital continuing operations	3,280.8	3,051.1
Net Invested Capital assets disposed		766.9
Overall Net Invested Capital	3,280.8	3,818.0
Total Net Equity	2,028.0	2,494.7
Continuing operations provisions	797.2	714.6
Provisions assets disposed		79.9
Continuing Operations Net Financial Position	455.6	523.2
Net Financial Position assets disposed		5.6
Total	3,280.8	3,818.0
Attributable Net Equity	1,990.8	2,175.0
Equity per Share (euro)	4,080	4.457*
Gearing	0.22	0.21
ROI	11.5%	6.3%

% Net Invested Capital		
	FY'10	FY'09
P.Tyre	84.7%	65.6%
P.Real Est.		20.2%
PBS		-0.1%
Other	15.3%	14.3%

*following Pirelli & C reverse stock split (1:11 ratio for ordinary and savings shares)

PIRELLI GROUP CASH FLOW

€/mln

	1Q'10	2Q'10	3Q'10	4Q'10	FY'10
EBIT before restructuring costs	90.2	109.6	119.9	112.8	432.5
Depreciation	51.7	53.7	55.0	60.8	221.1
Net investments	(49.9)	(85.2)	(91.5)	(212.0)	(438.6)
Working capital/other variations	(143.5)	42.2	(18.0)	214.5	95.2
OPERATING CASH FLOW	(51.5)	120.3	65.4	176.1	310.3
Financial income (expenses)	(17.6)	(22.9)	(14.0)	(11.3)	(65.8)
Tax charges	(30.4)	(40.0)	(40.1)	(26.9)	(137.4)
NET OPERATING CASH FLOW	(99.5)	57.4	11.3	137.9	107.1
Financial investments/disinvestitures	-	-	9.8	21.9	31.7
Dividends paid	-	(85.1)	-	-	(85.1)
Cash-out for restructuring	(34.0)	(9.9)	(7.4)	(2.0)	(53.3)
PBS Net Cash Flow	(12.1)	0.7	(11.4)	(12.9)	(35.7)
PRE Net Cash Flow	(14.0)	(6.5)	(26.5)	88.3	41.3
Exchange rate differentials/Others	10.0	24.9	16.2	16.1	67.2
NET CASH FLOW	(149.6)	(18.5)	(8.0)	249.3	73.2

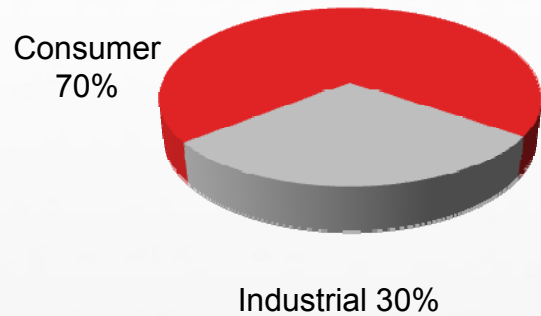
PIRELLI GROUP: NET FINANCIAL POSITION FY'10 BY BUSINESS

€/mln

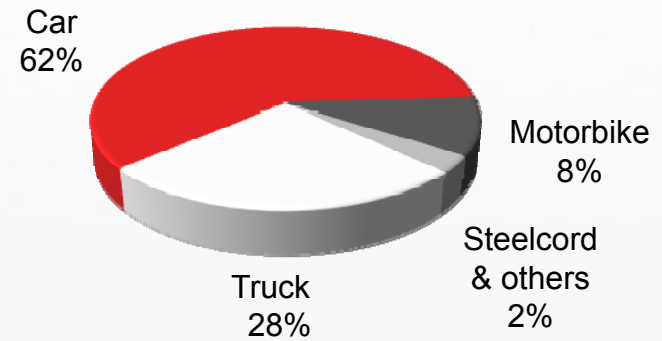
	Tyre			Other business			Corporate			Pirelli Group		
	Dec. 10	Jun. 10	Dec. 09	Dec. 10	Jun. 10	Dec. 09	Dec. 10	Jun. 10	Dec. 09	Dec. 10	Jun. 10	Dec. 09
Gross Debt	1,613.6	1,778.2	1,553.6	83.3	98.8	99.1	123.0	277.3	276.5	1,147.0	1,323.1	1,444.5
to Corporate	589.6	738.1	411.3	83.3	64.7	73.4						
Financial receivables	(98.3)	(153.2)	(84.8)	(4.8)	(0.2)	(0.1)	(806.7)	(870.9)	(561.4)	(236.9)	(193.1)	(161.5)
Cash and cash equivalents	(405.4)	(412.1)	(441.5)	(6.6)	(10.2)	(4.3)	(42.5)	(48.3)	(314.0)	(454.5)	(470.6)	(759.8)
Net Financial Position	1,109.9	1,212.9	1,027.3	71.9	88.4	94.7	(726.2)	(641.9)	(598.9)	455.6	659.4	523.2
PRE Net Financial Position											61.8	41.3
PBS Net Financial Position											(24.3)	(35.7)
Net Financial Position including PRE / PBS											696.9	528.8

FY'10 PIRELLI TYRE MIX

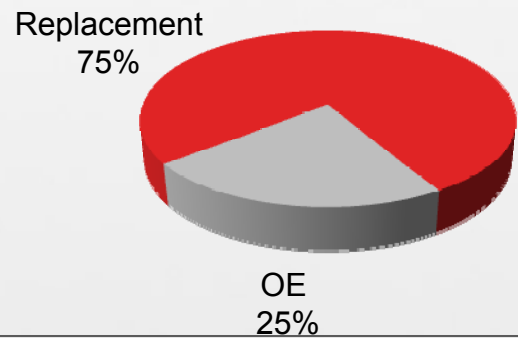
SALES BY BUSINESS



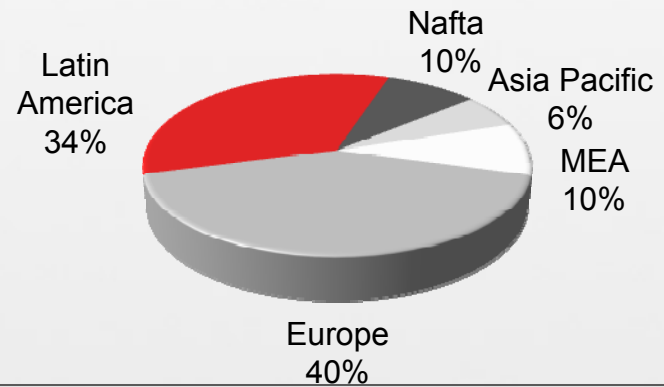
SALES BY SEGMENT



SALES BY CHANNEL

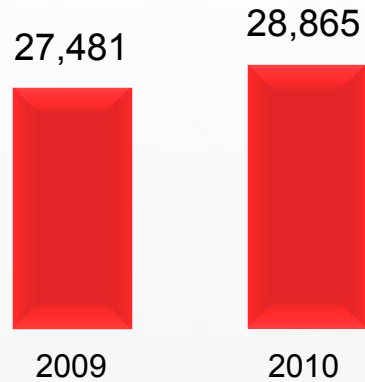


SALES BY REGION

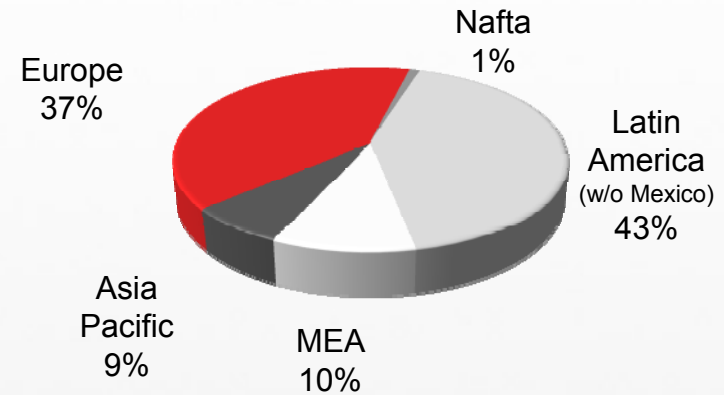


FY '10 PIRELLI TYRE PEOPLE

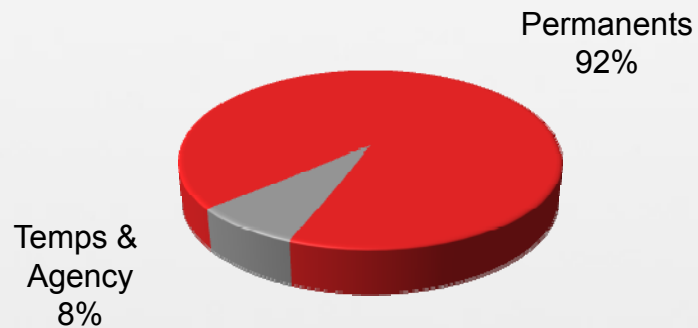
HEADCOUNT



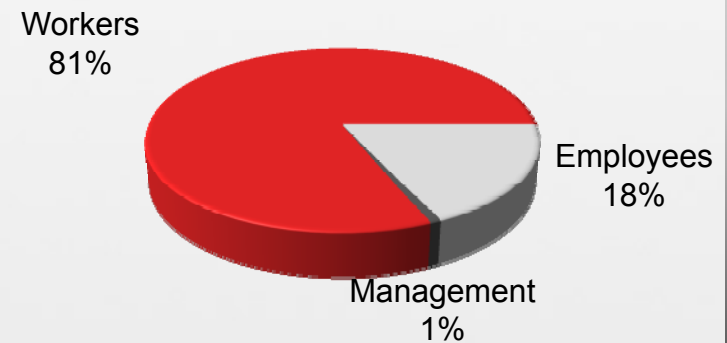
PEOPLE BY REGION



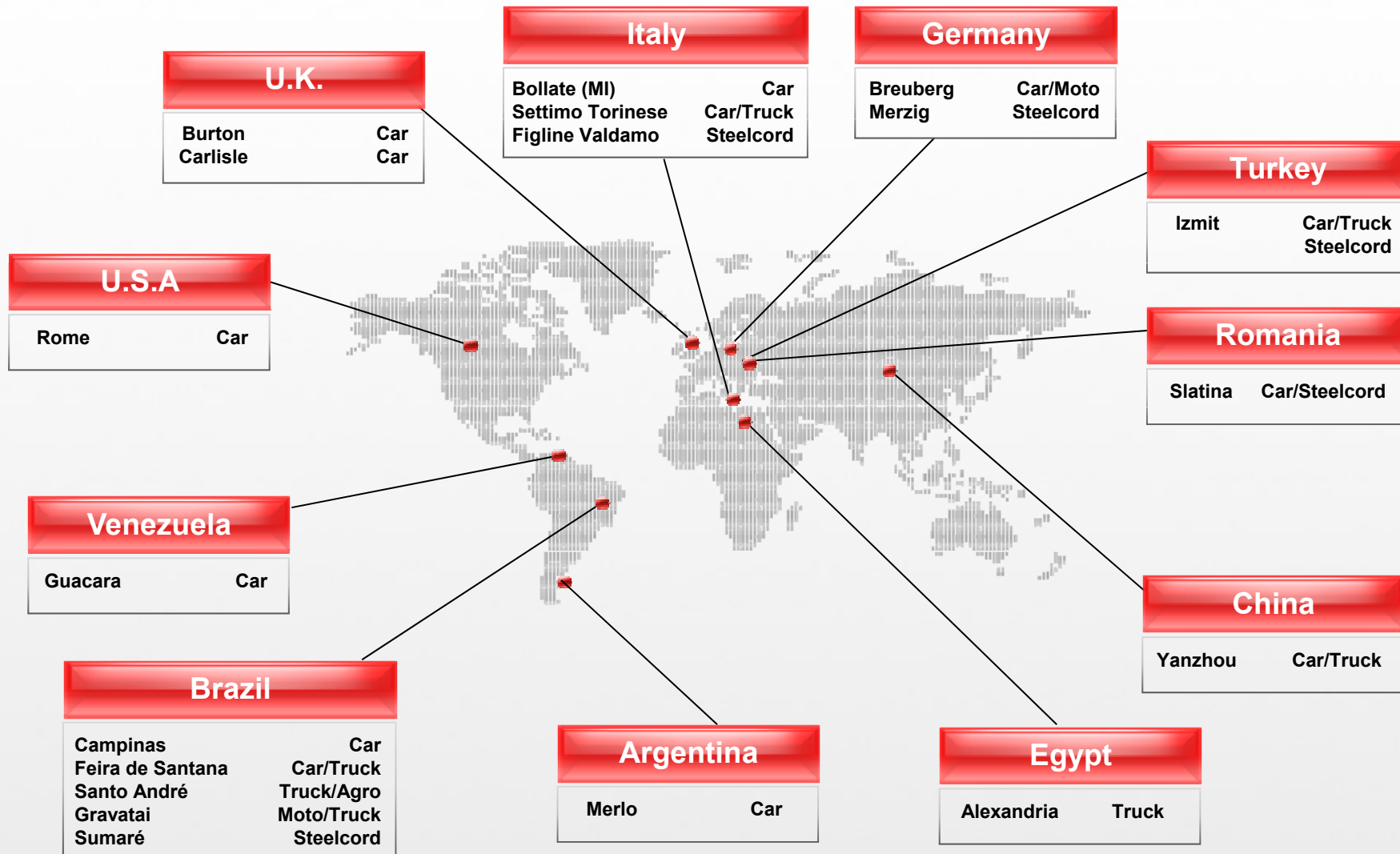
PEOPLE BY CONTRACT



PEOPLE BY CLUSTER



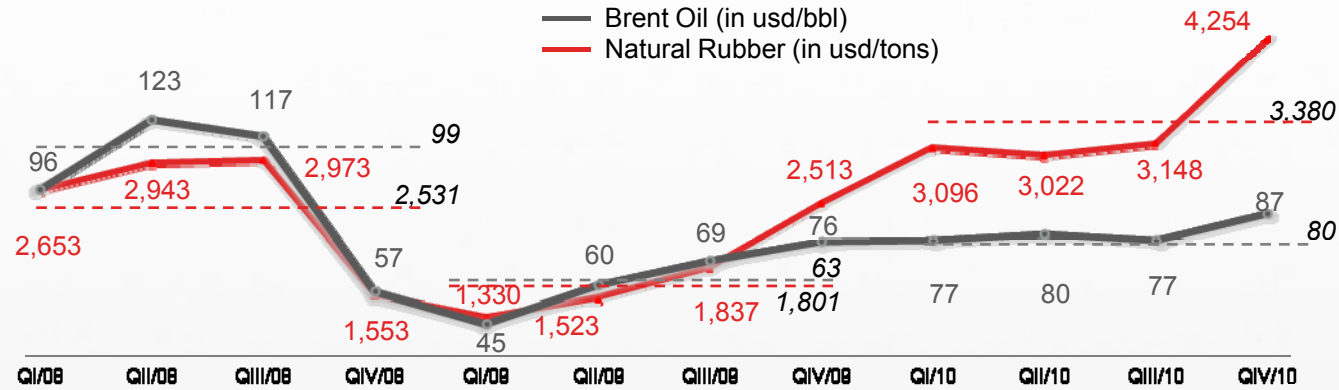
PIRELLI TYRE: 19 INDUSTRIAL PLANTS IN 11 COUNTRIES (AS OF DEC. 2010)



RAW MATERIALS

RAW MATERIALS PRICE TREND

1Q/08 = 100

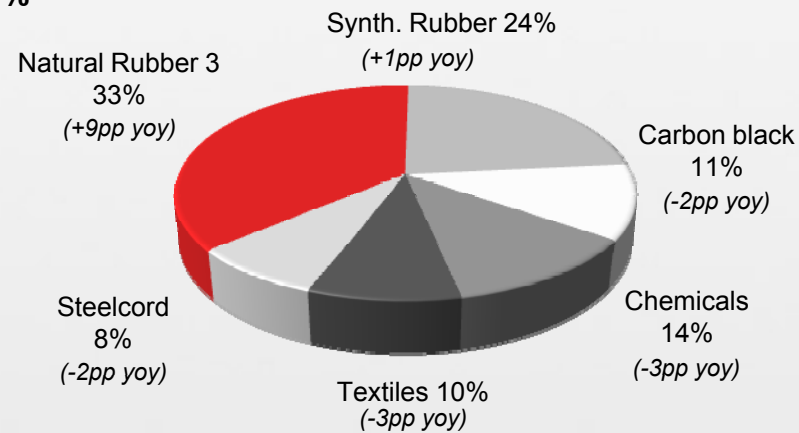


Natural Rubber: Sicom
Brent: www.oilnergy.com

In Italic Year Average

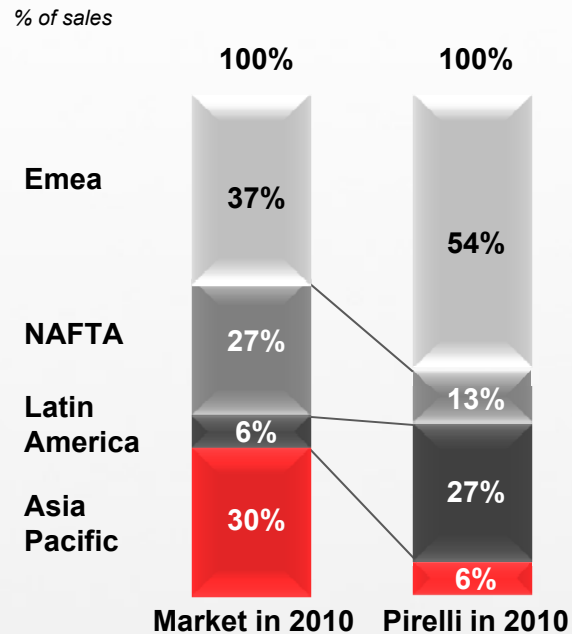
FY 2010 MIX (BASED ON PURCHASING COST)

Raw mat costs on sales: 39%



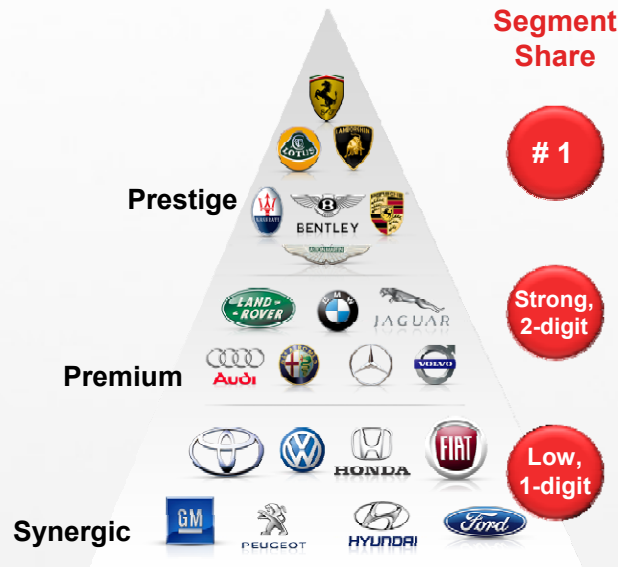
PIRELLI TYRE SELECTIVE POSITIONING IN THE CONSUMER SEGMENT

Sales Breakdown By Area



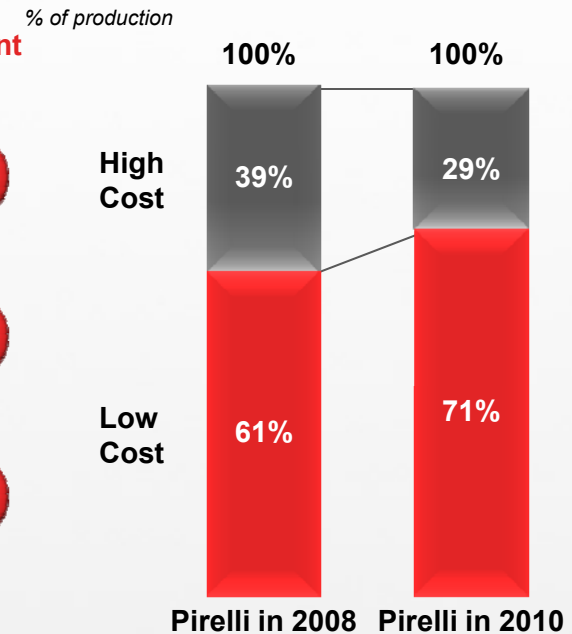
- ▶ **Solid** foothold in **Europe**, in prestige/premium segments
- ▶ Historical **leadership** in **Latin America**
- ▶ **Growth** opportunities in **Asia-Pacific** markets with new China source

Pirelli Focus



- ▶ **Leading** brand in Prestige niche
- ▶ Development partner of **all EU premium** car makers
- ▶ **Leading** supplier to the Automotive Industry in **Latin America**
- ▶ **Leader** in the **Motorcycle** business with Pirelli and Metzeler Brands

Production By Area

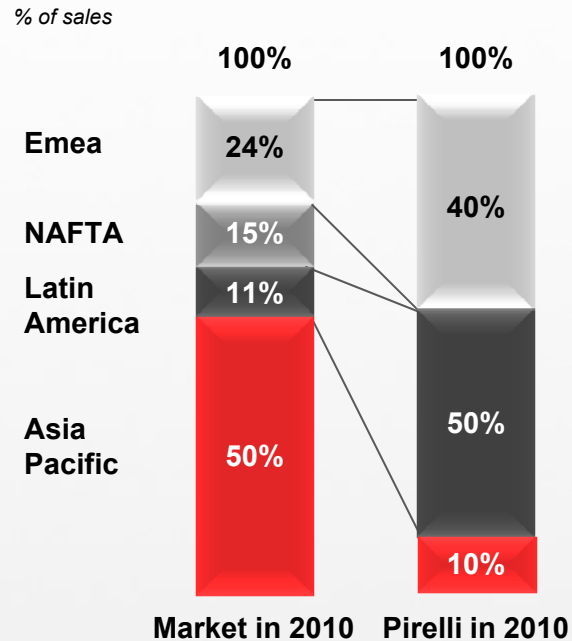


- ▶ **Only high-end, high added value products** in high cost countries
- ▶ Production **Footprint moving forward**

Source: LMC, Pirelli estimates, June 2010 Investor Presentation

INDUSTRIAL SEGMENT: A UNIQUE COMPETITIVE POSITION

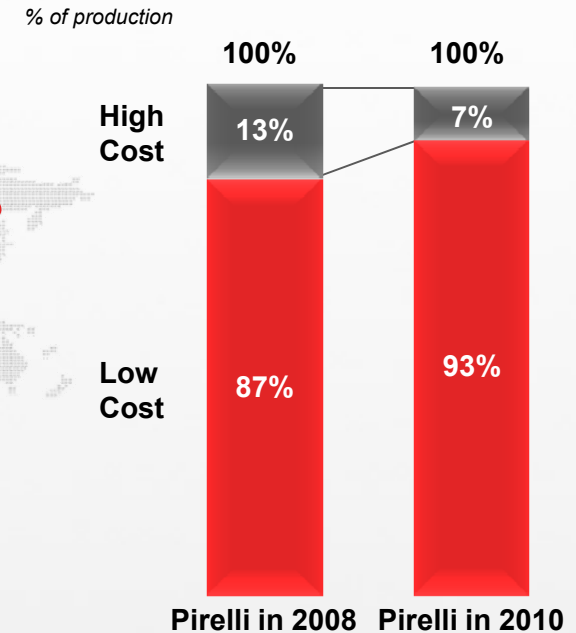
Sales Breakdown By Area



Pirelli Focus



Production By Area



- ▶ Sales focus in **high-growth areas**
- ▶ Not present in North America

- ▶ **Leading position** in Pirelli key markets
- ▶ **Proprietary steelcord** technology

- ▶ **Product cost leadership** supported by a low-cost production base

Source: LMC, Pirelli estimates

PIRELLI FY'10 RESULTS

March 8, 2011

NEW PROJECTS



ITALY - SETTIMO TORINESE

- ▶ Product: Car Tyres
- ▶ First tyre: 4Q 2010



CHINA – YANZHOU “2”

- ▶ Product: car and motorbike tyres
- ▶ First tyre: 2Q 2011

NEW PROJECTS



ROMANIA – SLATINA “2”

- ▶ Product: Car Tyres
- ▶ First tyre: 4Q 2010



MEXICO - GUANAJUATO

- ▶ Product: Car Tyres
- ▶ First tyre: 2Q 2012