



Pirelli & C. S.p.A. – Share capital evolution for years 2016/2017

Described below is the share capital evolution for Pirelli & C. S.p.A. (“**Pirelli**” or “**Issuer**”) for fiscal years 2016 and 2017 (*source: translation of the IPO Prospectus September 2017 - Chapter XXI, Paragraph 21.1.7*)

On February 15, 2016, the special shareholders’ meeting approved (i) the compulsory conversion of our savings shares in circulation on that date, into unlisted shares in a special category (special shares) of new issuance without voting rights and (ii) the reverse merger of the at the time controlling entity Marco Polo Industrial Holding into Pirelli, with a conversion ratio of 6.30 Pirelli shares to be assigned to Marco Polo International Italy S.p.A. (“**Marco Polo**”) – sole shareholder of Marco Polo Industrial Holding – for each share held by Marco Polo International Holding Italy in Marco Polo Industrial Holding prior to the merger.

On February 26, 2016, the compulsory conversion of Pirelli’s saving shares took effect following a conversion ratio of 1 special share for each 1 saving share.

On June 1, 2016, as a result of the effectiveness of the merger within Marco Polo Industrial Holding the following occurred: (i) on the basis of the expected exchange ratio, 201,632,312 ordinary shares of Pirelli and 4,868,520 special shares of the Company were assigned to Marco Polo International Holding Italy; (ii) 273,756,280 ordinary shares and 6,609,999 special shares already held by Marco Polo Industrial Holding were canceled without exchange, without a reduction of the share capital as they have no nominal value; and finally (iii) the 351,590 ordinary shares and 772,792 special shares hold by the Company were maintained as treasury shares.

On June 19, 2017, the extraordinary shareholders’ meeting resolved (i) to convert all outstanding special shares – net of treasury shares, subject to the deliberate annulment at the same shareholders’ meeting – in the corresponding number of ordinary shares; (ii) to cancel all the 351,590 ordinary treasury shares and 772,792 special treasury shares of the Company without a reduction of share capital; (iii) to approve the share split – as a result of the aforementioned conversion and annulment – of 1,032,504,160 shares (share conversion ratio of 5 new shares for each share formerly held); (iv) to increase share capital against payment in tranches for a maximum nominal amount of Euro 1,189,375,000.00, of which maximum Euro 558,994,401.00 to be allocated to share capital and maximum Euro 630,380,599.00 to share premium reserve, through the issuance of maximum 429,005,680 new ordinary shares without par value with regular rights (“**Share Capital Increase**”). On June 29, 2017 the share capital increase was completely underwritten by Marco Polo.

On August 1, 2017, the extraordinary shareholders meeting of Pirelli resolved to approve the grouping of the Company’s 1,461,509,840 ordinary shares in circulation at the time of the shareholder meeting in 1,000,000,000 shares (conversion ratio of around 0.6842239256 new shares for each previously held share).