PRESS RELEASE

PIRELLI & C. SPA BOARD APPROVES CONSOLIDATED RESULTS FOR 9 MONTHS TO 30 SEPT 2011:

ALL ECONOMIC INDICATORS IMPROVE DESPITE A MACROECONOMIC CONTEXT SHOWING SIGNS OF SLOWDOWN

INDUSTRIAL PLAN WITH VISION TO 2015 AND UPDATE 2012-2014 TARGETS APPROVED, TO BE PRESENTED TO THE FINANCIAL COMMUNITY TOMORROW IN LONDON

BOARD AUTHORIZES BOND ISSUE OF UP TO 800 MILLION EUROS TO BE LAUNCHED BY THE END OF 2012 ALSO IN SEVERAL TRANCHES, TO TAKE ADVANTAGE OF FINANCING OPPORTUNITIES ON THE MARKET IN SUPPORT OF THE BUSINESS

PIRELLI & C. SPA

- REVENUES 4,265.8 MILLION EUROS, +17.9% COMPARED WITH 3,618.7 MILLION EUROS ON 30 SEPT 2010

- OPERATING RESULT (EBIT) AFTER RESTRUCTURING CHARGES OF 451.2 MILLION EUROS (+46.8% COMPARED WITH 307.3 MILLION EUROS ON 30 SEPT 2010), WITH PROFITABILITY (EBIT/SALES) RISING TO 10.6% FROM 8.5%

- TOTAL CONSOLIDATED NET PROFIT 251.3 MILLION EUROS, +56.8% COMPARED WITH 160.3 MILLION EUROS ON 30 SEPT 2010 (BEFORE DISCONTINUED OPERATIONS);
ATTRIBUTABLE CONSOLIDATED NET PROFIT 255.3 MILLION EUROS (COMPARED WITH NEGATIVE 87.0 MILLION EUROS ON 30 SEPT 2010)

- INVESTIMENT STOOD AT 396.2 MILLION EUROS ON 30 SEPT 2011 (226.9 MILLION EUROS ON 30 SEPT, 2010), OF WHICH 162.1 MILLION EUROS IN THE THIRD QUARTER (91.5 MILLION EUROS IN THIRD QUARTER 2010)

- NET FINANCIAL POSITION NEGATIVE 938.3 MILLION EUROS (704.9 MILLION EUROS ON 30 SEPT 2010)

PIRELLI TYRE

- REVENUES 4,225.7 MILLLION EUROS, +18.7% COMPARED WITH 3,559.1 MILLION EUROS ON 30 SEPT 2010

- OPERATING RESULT (EBIT) AFTER RESTRUCTURING COSTS 484.4 MILLION EUROS, +44.9%COMPARED WITH 334.3 MILLION EUROS ON 30 SEPT 2010;
PROFITABILITY (EBIT/SALES) AT RECORD LEVEL OF 11.5% (9.4% ON 30 SEPT 2010)

2011 TARGETS

- PROFITABILITY EXPECTED AT HIGHER END OF TARGETS ANNOUNCED IN JULY: EBIT MARGIN AFTER RESTRUCTURING CHARGES APPROXIMATELY 10% (TARGET BETWEEN 9.5% AND 10.0%) AT CONSOLIDATED LEVEL AND APPROXIMATELY 11% (TARGET

BETWEEN 10% AND 11%) FOR PIRELLI TYRE, THANKS TO THE POSITIVE EFFECTS OF THE FOCUS ON THE PREMIUM SEGMENT

- **SALES TARGET REVISED TO BELOW 5.8 BILLION EUROS (FROM "ABOVE 5.85 BILLION EUROS") AT CONSOLIDATED LEVEL;**

PIRELLI TYRE REVENUE TARGETS REVISED TO APPROXIMATELY 5.7 BILLION EUROS (FROM "ABOVE 5.8 BILLION EUROS"). THIS RESULT WAS IMPACTED BY:

- **THE NEGATIVE EFFECT OF EXCHANGE RATES ON SALES 1.2% HIGHER (AROUND 70 MILLION EURO) COMPARED WITH PREVIOUS FORECAST**
- **VOLUME REDUCTIONS TO APPROX. +3% (PREVIOUS TARGET: "ABOVE +5%") AS A CONSEQUENCE OF: GREATER PREMIUM GROWTH IN THE PREMIUM SECTOR (+23%) AND REDUCTION OF SALES OF LOWER PROFIT PRODUCTS; THE SLOWDOWN IN TRUCK DEMAND IN THE EMEA REGION**
- **PRICE/MIX TARGET IMPROVED FROM 16% TO 18% AS A RESULT OF THE GREATER FOCUS ON PREMIUM**

- **CONSOLIDATED NET FINANCIAL POSITION TARGET CONFIRMED, EXPECTED AT AROUND NEGATIVE 700 MILLION EUROS ESCLUDING RUSSIA INVESTMENT**

Milan- 8 November 2011 – A meeting of the Board of Directors of Pirelli & C. SpA today reviewed and approved the **results of operations for the nine months ended September 30, 2011**.
The Pirelli Group saw all economic indicators improve over the period, with revenues growing in the first nine month by 17.9% to 4,265.8 million euros and profitability - understood as the ratio of the operating result to sales - at 10.6%, with an increase of over two percentage points from the 8.5% of the first nine months of 2010. The total consolidated net result for the first nine months was a positive 251.3 million euros, an increase of 56.8% compared with 160.3 million euros, on a like-for-like basis (before discontinued operations) compared with the first nine months of 2010.

For **Pirelli Tyre**, which represents almost the totality of group sales (99%), the first nine months of 2011 saw a significant increase in sales (+18.7% to 4,225.7 million euros) and a further increase in profitability, with the Ebit margin reaching 11.5% compared with 9.4% in the first nine months of 2010.

In the third quarter, even though some markets showed signs of slowing down, Pirelli posted revenue growth of 18.7% to 1,464.8 million euros and an improvement from the second quarter (when it rose +13.3% year-on-year), with profitability at the record level of 11.7% (Ebit margin) compared with 9.5% in the third quarter 2010.

These results demonstrate the efficacy of Pirelli's value strategy, in particular its focus on the Premium segment (+30% compared with the third quarter 2010) and the use of the price lever to offset the increase in the cost of raw materials. Worth noting is the success of winter tyre sales (+80% compared with last year, +64% in the third quarter compared with the same quarter last year) which led to an increase in Pirelli's market share in Europe, while there was a continuation of actions aimed at rationalizing the production and sales of products with lower profitability (–1% non-Premium volumes in the Consumer segment).

The net financial position was negative 938.3 million euros compared with 778.9 million euros on June 30, 2011. This performance discounts investment to increase production capacity for the Premium segment and the growth in absolute terms of working capital resulting from greater sales of winter tyres, compared with the prior year, payment for which is expected in the fourth quarter of the year.

In line with the outlook contained in the Industrial Plan presented last year, and for the purpose of increasing production capacity and balance the group's geographic presence in the areas with greater growth prospects, Pirelli has announced plans for the future realization of a new radial truck tyre factory in Argentina. In Mexico, as well, work continues on the construction of a new factory for the production of Premium car tyres. The end of August saw the inauguration of the

extension of the car tyre factory in Slatina, Romania, with a planned investment of 160 million euros, which began in 2008 and will end in 2013, with the aim of increasing production capacity by 60% and improving the overall efficiency of Pirelli's European industrial base.
On the new product front, there is the announced launch of the P Zero Silver, the new high performance tyre that broadens the group's Premium range and represents the first road tyre directly derived from Formula 1 tyres, in terms of design modeling, materials technology and production processes. Finally, among initiatives to support the business, Pirelli opened its first flagship store, Corso Venezia 1, in Milan during the quarter.

The 2010 economic data have been reclassified to include the activities of Pirelli RE and Pirelli Broadband Solutions among discontinued operations, following their disposal in 2010.

Pirelli & C. SpA Group

At consolidated level, **revenues** on Sept. 30, 2011 stood at 4,265.8 million euros, an increase of 17.9% compared with 3,618.7 million euros in the first nine months of 2010.

In the third quarter, in particular, revenues totaled 1,476.5 million euros, an increase of 18.1% compared with 1,249.7 million euros in the third quarter of 2010.

The **operating result (EBIT) on September 30, 2011, including restructuring charges** which amounted to 9.9 million euros (12.4 million euros on Sept. 30, 2010), was 451.2 million euros, an increase of 46.8% compared with 307.3 million euros in the same period in 2010. The result as a percentage of sales was 10.6%, showing significant improvement from the 8.5% of the first nine months of 2010. In the third quarter, in particular, the **operating result (EBIT), including restructuring charges** of 161.1 million euros, grew by 39.6% compared with 115.4 million euros in the third quarter 2010, representing 10.9% of revenues up from 9.2%.

The **consolidated net profit**, which stood at 251.3 million euros on September 30, 2011, grew by 56.8% compared with 160.3 million euros, on a like-for-like basis (before discontinued operations), in the first nine months of 2010. Last year, the net result for the first nine months was negative 101.5 million euros as a consequence of the 261.8 million euro impact from discontinued operations linked to the operation of assignment to Prelios shares (formerly Pirelli RE).

In the third quarter, in particular, **the consolidated net profit** amounted to 92.5 million euros, with an increase of 11% compared with 83.3 million euros on a like-for-like basis on September 30, 2010.

The **net result attributable to Pirelli & C. Spa** on September 30, 2011 was positive 255.3 million euros compared with negative 87 million euros in the first nine months of 2010.

Consolidated net assets on September 30, 2011 stood at 2,049.9 million euros compared with 2,028.0 million euros at the end of 2010 and 2,132.3 million euros on September 30, 2010. **Consolidated net assets attributable to Pirelli & C. SpA** amounted to 2,026.5 million euros compared with 1,990.8 million euros at end 2010 and 1,823.2 million euros on September 30, 2010.

The group **net financial position** on September 30, 2011 was negative 938.3 million euros compared with negative 455.6 million euros at end December 2010 (-704.9 million euros on September 30, 2010), after dividend payments of 83.5 million euros (of which 81.1 million euros by the parent company). Beyond the dividend payments and investment in production capacity for Premium products, the figure reflects the growth in absolute terms of working capital, as a normal seasonal effect due to the sales of winter tyres, which were decidedly stronger compared with the prior year. During the first nine months, **investment** amounted to 396.2 million euros, an increase compared with 226.9 million euros for the same period in 2010, of which 162.1 million euros solely in the third quarter (91.5 million euros in third quarter 2010).

On September 30, 2011, **group employees** numbered 31,815 compared with 29,573 on December 31, 2010 and 31,643 on June 30, 2011.

Pirelli Tyre

Pirelli Tyre revenues on September 30, 2011 amounted to 4,225.7 million euros, with an increase of 18.7% compared with 3,559.1 million euros in the corresponding period of 2010. On a like-for-like basis, growth in the first nine months of 2011 was 20.1%, with a positive contribution from the volume component (+3.3%) and the price/mix component (+16.8%), while exchange rates had a negative impact of 1.4%. In the third quarter, in particular, sales totaled 1,464.8 million euros, with an increase of 18.7% compared with 1,233.8 million euros in third quarter 2010. Over the period, organic growth was 21.4%, with volumes 2.8% higher and the price/mix component which grew 18.6%. The exchange rate effect was, however, negative 2.7%.

Both Consumer and Industrial business segments saw increased sales in the first nine months of 2011, with Consumer 20.4% higher (exchange rate effect -1.3%) and Industrial 15% higher (exchange rate effect -1.5%).

The **gross operating margin (Ebitda) before restructuring charges** on September 30, 2011 was 656.3 million euros, an increase of 32.1% compared with 496.9 million euros on September 30, 2010, representing 15.5% of sales (14.0% on September 30, 2010). In the third quarter, in particular, Ebitda amounted to 228.4 million euros (173.0 million euros in third quarter 2010), with an improvement of the Ebitda margin to 15.6% compared with 14.0% in the same period of 2010.

The **operating result after restructuring charges** on September 30, 2011 amounted to **484.4 million euros, an increase of 44.9% compared with 334.3 million euros in the first nine months of 2010**, representing 11.5% of revenues (9.4% in the same period 2010). In the third quarter, in particular, the operating result after restructuring charges totaled 171.9 million euros, with an increase of 46.9% compared with 117.0 million euros in the same period in 2010 and equal to 11.7% of sales, up from 9.5% in the third quarter of 2010 and higher than two preceding quarters (11.0% in the first quarter 2011, 11.6% in the second quarter 2011).
The result benefited both from continued actions to improve the efficiency of industrial activities and the positive impact of commercial variables, in particular the price/mix component, also a function of the strategic focus on the Premium segment, which offset the negative impact of increased raw material costs (the effects of which sharpened beginning from the second quarter, reaching a total impact by September of 347 million euros).

The **net result** on September 30, 2011 amounted to 255.4 million euros (after net financial charges of 67.0 million euros and tax charges of 162.0 million euros), an increase of 44.6% compared with 176.6 million euros (after net financial charges of 52.3 million euros and tax charges of 105.4 million euros) in the same period of 2010. In the third quarter, net profit was 92.6 million euros compared with 66.2 million euros in the same period of 2010.

In the ***Consumer (Car/Light Truck and Moto tyres***) business, revenues in the first nine months of 2011 amounted to 2,966.5 million euros, with an increase of 20.4% compared with 2,463.8 million euros in the same period of 2010, while the operating result after restructuring charges was 370.1 million euros (224.5 million euros on September 30, 2010), equal to 12.5% of revenues (9.1% in the same period of 2010).

The increase in the volume of sales was 5.2% further enhanced by a positive variation in the price/mix component of 16.5%, with a consequent organic sales growth of 21.7%. Exchange rates had a negative impact of 1.3%.

Third quarter **revenues** totaled 1,024.3 million euros, with an increase of 20.9% compared with 847.1 million euros in the corresponding period of 2010. In the third quarter, volumes registered an increase of 4.3% (+2.6% in the second quarter) mainly due to the concentration of sales in the Premium segment (+17.5% in the third quarter compared with the same period a year earlier) and, in particular, in winter tyres, while actions continued to reduce the sale of lower profitability products (-1% volumes in the standard segment in the third quarter). As a consequence of this focus and pricing actions, the price/mix component registered a record increase of 18.4% (+16.2% in the second quarter).

The quarter saw an increase in **profitability** both in terms of absolute value (operating result after restructuring increased to 129.0 million euros from 77.2 million euros) and in percentage terms (Ebit margin 12.6% compared with 9.1%).

The markets' performance in the first nine months was positive. The **Original Equipment** channel grew in Europe (+4%), in the Nafta area (+8%) and in Latin America (+6%). In the **Replacement** channel **growth occurred mainly in** Europe (+5% recovering compared with June) over the first nine months, while the performance was stable in both the Nafta area (with the third quarter negative by 2%) and Latin America (even though there was a recovery of 3% in the last quarter).

In the ***Industrial (tyres for Industrial vehicles and Steelcord)*** business, revenues amounted to 1,259.2 million euros in total, an increase of 15.0% compared with 1,095.3 million euros in the same period of 2010, while the operating result after restructuring costs was 114.3 million euros (109.8 million euros in the first nine months of 2010), representing 9.1% of revenues (10% in the first nine months of 2010).
On an organic basis, revenues increased by 16.5%, with a positive variation of the price/mix component of 17.5%, while volumes were 1.0% lower overall compared with the first nine months of 2010 and exchange rates had a negative impact of 1.5%. The decline in volumes was caused by the slowdown in activity in Egypt and the countries of North Africa following the political crisis, decreased sales in the conventional segment in Latin America and softer demand mainly in Europe in the last quarter.

The third quarter, in particular, saw revenues of 440.5 million euros (386.7 million euros in the third quarter of 2010) and an operating result from ordinary operations after restructuring charges of 42.9 million euros (39.8 million euros in the third quarter of 2010), with a slight decline as a percentage of revenues to 9.7% compared with 10.3% in the third quarter of 2010 but higher than the first quarter 2011 (8.7%).

With regard to the market's performance in the first nine months of the year, **Original Equipment** channel grew by 45% in Europe (+24% in the third quarter) and 8% in Latin America (+16% in the third quarter). The **Replacement** channel saw signs of slowdown in the third quarter**: -9% in Europe, -6% in Latin America**.

On September 30, 2011, **employees** numbered 31,145, an increase of 2,280 (of which 948 are temporary) compared with December 31, 2010.

2011 Outlook

As a result of the success of the Group's strategic focus on the Premium segment and continuing efficiency actions, Pirelli expects to end 2011 with profitability at the higher end of the targets announced in July with the presentation of the first half results. The Ebit margin is expected to be approximately 10% at consolidated level (target between 9.5% and 10%) and at approximately 11% for Pirelli Tyre (target between 10% and 11%).

The negative impact of exchange rate fluctuations (-3.7% in the second quarter and -2.7% in the third quarter) is expected at year end to be 1.2% higher (around 70 million euro) than the previous forecast. This effect, together with the slowdown in demand for Truck products in some markets (particularly in the Emea region) leads Pirelli to forecast revenues of below 5.8 billion euros at

consolidated level (target announced in July: above 5.85 billion euros) and of approximately 5.7 billion euros for Pirelli Tyre (target announced in July: above 5.8 billion euros), with growth in the volume component of around 3% (previous estimate: above 5%), reflecting strong growth in Premium volumes (+23%) and a rationalization of standard volumes. The price/mix component is expected to grow by around 18% (previous estimate: above 16%).
The consolidated net financial position estimate is confirmed at approximately negative 700 million euros, excluding the investment in Russia.

The Board authorizes new bond issues up to a maximum of 800 million euros

With aim of facilitating quick action to take advantage of the best financing opportunities to support the growth of the business in a context of volatile financial markets, the Board of Directors has authorized a non-convertible bond issue to a maximum nominal value of 800 million euros (or the same value in other currencies), to be placed in several tranches on international markets. These loans, guaranteed by Pirelli & C. SpA, can also be decided by other companies of the group. The definitive terms of the operations will be set and announced to the market at the moment of pricing, determined on the basis of market conditions. The issues can be launched until the end of 2012 and the placement of the bonds can only be offered to qualified investors.

Significant events since September 30, 2011

On **October 13, 2011** – during the course of a meeting in Buenos Aires with the President of Argentina, Cristina Fernández de Kirchner, and the Industry Minister, Débora Giorgi, Pirelli explained its plan to reinforce its presence in Argentina with a new factory for radial truck tyres which aims to rebalance the company's presence in Latin America. The plan, which will take the macroeconomic framework and market demand into account, calls for investment beginning from 2012 of approximately 300 million dollars for the first phase of development which will end in 2014.
This investment is part of the total for the Industrial segment as announced to the market last year when the Industrial Plan was presented. A second phase of the project would entail additional investment of approximately 200 million dollars. The Argentine government, alongside Pirelli's commitment, will accompany the development of the project both through facilitated interest rates for part of the investment and by ensuring the supply of services (gas, electricity, etc).

On **October 28, 2011** Pirelli announced the launch of a Level 1 American Depositary Receipt (ADR) programme for the United States market, nominating JPMorgan as the depository bank managing the ADRs. The launch of the programme, operational from November 2, 2011, is in line with Pirelli's goal of diversifying its shareholder base by attracting a greater number of American investors. Each Pirelli ADR (CUSIP 724256201) corresponds to one ordinary Pirelli & C. SpA share traded on the Milan stock exchange.

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Industrial Plan with vision to 2015 and updated 2012-2014 targets

The Board of Directors of Pirelli & C. SpA approved the ***'Industrial Plan with vision to 2015 and updated 2012-2014 targets'*** which will be illustrated tomorrow in London at a meeting with the financial community with presentations from Pirelli Chairman and CEO Marco Tronchetti Provera, COO Francesco Gori and the group's top management. Journalists will be able to follow the event from a press room at the location of the event. The presentation will also be webcast – in real time – at www.pirelli.com in the Investors Relations section, where the slides will also be available.

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Calendar of company events in 2012

The following is a calendar of Board and Shareholder activities for 2012:

March 8, 2012: Board of Directors meeting to review the budget and the consolidated financial statement for the year ending December 31, 2011;
May 10, 2012: Board of Directors meeting to review results for the three months ending March 31, 2012 and Shareholder Meeting to approve results for 2011 (sole call);
July 26, 2012: Board of Directors meeting to review results for the six months ending June 30, 2012;
November 7, 2012: Board of Directors meeting to review results for the nine months ending September 30, 2012.

During 2012 (expected on the date of 31 January 2012) the meeting of savings shareholders will take place to reappoint their representative after the expiry of his mandate.

The results for the nine months ended September 30, 2011 will be available to the public at the company's legal headquarters and at Borsa Italiana SpA, as well as being published on the company website (www.pirelli.com), by November 14, 2010.

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The manager responsible for the preparation of the accounts' documents of Pirelli & C. S.p.A., Mr. Francesco Tanzi, declares that, in accordance with paragraph 2 of article 154 bis of the Testo Unico finance law, that the accounts information contained in the present communication corresponds to documentary results and the account books and texts.

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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 EBIT. EBITDA is an intermediate performance measure represented by the Operating Income from which amortization of material and immaterial fixed assets are subtracted.

Fixed assets: this is the sum of the items "material fixed assets", "immaterial fixed assets", "investments in related companies and JVs", and "other financial as sets".

Funds: this is the sum of the items "funds for risks and charges (current and non current)", "funds for personnel" and "funds for deferred taxes".

Net working capital: this includes all the other items not included in the two items "net equity" and "net financial position".

Net financial position: this represents gross financial debt minus cash and other equivalent liquidity, as well as other financial credits.

Pirelli Press Office – Tel. +39 02 64424270 – pressoffice@pirelli.com
Pirelli Investor Relations – Tel. +39 02 64422949 – ir@pirelli.com
www.pirelli.com

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Attached are prospectuses related to the profit and loss account, to equity data in summary and to consolidated financial reports. The company notes that these attachments are not subject to review by the auditing company.

PIRELLI & C. S.p.A. GROUP

(million euros)

	3Q 2011	3Q 2010	**09/30/2011**	09/30/2010	12/31/2010
Sales	**1,476.5**	**1,249.7**	**4,265.8**	**3,618.7**	**4,848.4**
Gross operating profit before restructuring expenses	220.2	174.9	631.1	480.1	653.7
% on sales	14.9%	14.0%	14.8%	13.3%	13.5%
Operating profit before restructuring expenses	163.3	119.9	461.1	319.7	432.5
% on sales	11.1%	9.6%	10.8%	8.8%	8.9%
Restructuring expenses	(2.2)	(4.5)	(9.9)	(12.4)	(24.7)
Operating profit	**161.1**	**115.4**	**451.2**	**307.3**	**407.8**
% on sales	10.9%	9.2%	10.6%	8.5%	8.4%
Income from equity participations	2.1	22.1	3.0	18.1	23.4
Financial income (expenses)	(19.4)	(14.0)	(64.1)	(54.6)	(65.8)
Net pretax result	**143.8**	**123.5**	**390.1**	**270.8**	**365.4**
Income taxes	(51.3)	(40.2)	(138.8)	(110.5)	(137.4)
Tax rate %	35.7%	32.5%	35.6%	40.8%	37.6%
Income from continuing operations	**92.5**	**83.3**	**251.3**	**160.3**	**228.0**
Income from discontinued operations			-	**(261.8)**	**(223.8)**
Total income			**251.3**	**(101.5)**	**4.2**
Income attributable to Pirelli & C. S.p.A.			255.3	(87.0)	21.7
Earnings per share (in euro) (*)			0.523	(0.178)	0.044
Fixed assets			3,258.4	2,986.2	3,164.1
Net working capital			499.3	107.7	116.7
Net capital invested			**3,757.7**	**3,093.9**	**3,280.8**
Net capital invested from discontinued operations				**587.6**	-
Total net capital invested			**3,757.7**	**3,681.5**	**3,280.8**
Equity			**2,049.9**	**2,132.3**	**2,028.0**
Funds			769.5	783.9	797.2
Funds discontinued operations			-	60.4	-
Net financial (liquidity) / debt position			**938.3**	**629.5**	**455.6**
Net financial (liquidity) / debt position discontinued operations			-	**75.4**	-
Equity attributable to the equity holders of Pirelli & C. S.p.A.			2,026.5	1,823.2	1,990.8
Equity per share (in euro) (*)			4.153	3.736	4.080
Investments in material and immaterial goods			396.2	226.9	438.6
R&D expenses			126.4	109.3	149.7
% on sales			3.0%	3.0%	3.1%
Headcount (number at period-end)			31,815	31,050	29,573
Factories			20	20	20
Pirelli & C. shares					
ordinary shares (number in millions)			475.7	475.7	475.7
of which treasury shares			0.4	0.4	0.4
savings shares (number in millions)			12.3	12.3	12.3
of which treasury shares			0.4	4.5	0.4
Total shares (number in millions)			**488.0**	**488.0**	**488.0**

(million euros)

	Tyre		Others (*)		TOTAL	
	09/30/2011	**09/30/2010**	**09/30/2011**	**09/30/2010**	**09/30/2011**	**09/30/2010**
Sales	**4,225.7**	**3,559.1**	**40.1**	**59.6**	**4,265.8**	**3,618.7**
Gross operating profit (loss) before restructuring exp.	656.3	496.9	(25.2)	(16.8)	631.1	480.1
Operating profit (loss) before restructuring exp.	494.3	346.7	(33.2)	(27.0)	461.1	319.7
Restructuring expenses	(9.9)	(12.4)	-	-	(9.9)	(12.4)
Operating profit (loss) (EBIT)	**484.4**	**334.3**	**(33.2)**	**(27.0)**	**451.2**	**307.3**
% on sales	*11.5%*	*9.4%*			*10.6%*	*8.5%*
Earnings (losses) from investments	(1.7)	0.4	4.7	17.7	3.0	18.1
Financial income (expenses)	(65.3)	(52.7)	1.2	(1.9)	(64.1)	(54.6)
Net pretax result	**417.4**	**282.0**	**(27.3)**	**(11.2)**	**390.1**	**270.8**
Income taxes	(162.0)	(105.4)	23.2	(5.1)	(138.8)	(110.5)
tax rate %	*38.8%*	*37.4%*			*35.6%*	*40.8%*
Income (loss) from continuing operations	**255.4**	**176.6**	**(4.1)**	**(16.3)**	**251.3**	**160.3**
Income from discontinued operations					**-**	**(261.8)**
Income (loss)					**251.3**	**(101.5)**
Net financial position continuing operations	**1,095.0**	**1,205.0**	**(156.7)**	**(575.5)**	**938.3**	**629.5**
Net financial position discontinued operations					**-**	**75.4**
Net financial (liquidity) / debt position					**938.3**	**704.9**

(*) The item includes Pirelli Eco Technology group, Pirelli Ambiente group, PZero S.r.l., all the financial companies (including the parent company), the other services companies, and for Sales, items eliminated in the consolidation phase.

(million euros)

	1Q 2011	1Q 2010	2Q 2011	2Q 2010	3Q 2011	3Q 2010	09.30.2011	09.30.2010
Operating profit (EBIT) before restructuring exp.	146.5	90.2	151.3	109.6	163.3	119.9	461.1	319.7
Amortization	56.9	51.7	56.2	53.7	56.9	55.0	170.0	160.4
Material and Immaterial Investments	(96.9)	(50.2)	(137.2)	(85.2)	(162.1)	(91.5)	(396.2)	(226.9)
Variation working capital/other	(313.5)	(143.2)	18.1	42.2	(100.6)	(18.0)	(396.0)	(119.0)
Free cash flow	**(207.0)**	**(51.5)**	**88.4**	**120.3**	**(42.5)**	**65.4**	**(161.1)**	**134.2**
Financial income/expenses	(14.8)	(17.6)	(29.9)	(23.0)	(19.4)	(14.0)	(64.1)	(54.6)
Income taxes	(47.9)	(30.4)	(39.6)	(39.9)	(51.3)	(40.2)	(138.8)	(110.5)
Operating cash flow	**(269.7)**	**(99.5)**	**18.9**	**57.4**	**(113.2)**	**11.2**	**(364.0)**	**(30.9)**
Financial Investments/divestments	24.4	-	-	-	(16.4)	9.8	8.0	9.8
Acquired minorities stake in China	-	-	-	-	(28.0)	-	(28.0)	-
Dividends paid by parent company	-	-	(81.1)	(81.1)	-	-	(81.1)	(81.1)
Other dividends paid to third parties	(0.7)	-	(1.7)	(4.0)	-	-	(2.4)	(4.0)
Cash Out for restructuring	(2.8)	(34.0)	(5.7)	(9.9)	(1.9)	(7.4)	(10.4)	(51.3)
Net cash flow from discontinued operations	-	(26.1)	-	(5.8)	-	(37.9)	-	(69.8)
Exchange rate differences/other	(8.4)	10.0	3.5	24.9	0.1	16.3	(4.8)	51.2
Net cash flow	**(257.2)**	**(149.6)**	**(66.1)**	**(18.5)**	**(159.4)**	**(8.0)**	**(482.7)**	**(176.1)**