PIRELLI

PRESS RELEASE

Pirelli & C. Spa board approves results for six months ended 30 June 2012

- STRONG PROFITABILITY GROWTH ON SOLID PREMIUM PERFORMANCE, STABLE PRICING POLICIES, EFFICIENCIES FOR EXPANSION IN COUNTRIES WITH LOW PRODUCTION COSTS
- ACCELERATED REDUCTION OF STANDARD PRODUCTION IN FAVOUR OF MORE PROFITABLE HIGH AND ULTRA-HIGH PERFORMANCE TYRES
- 2012 PROFITABILITY AND NET FINANCIAL POSITION TARGETS CONFIRMED

PIRELLI & C. GROUP

- EBIT: +38.1% TO 400.7 MILLION EURO (290.1 MILLION EURO ON 30 JUNE 2011)
- EBIT MARGIN GROWS TO 13.3% FROM 10.4% ON 30 JUNE 2011
- NET PROFIT: +39.6% TO 221.7 MILLION EURO (158.8 MILLION EURO ON 30 JUNE 2011)
- REVENUES: +8.3% TO 3,021.8 MILLION EURO (2,789.3 MILLION EURO ON 30 JUNE 2011)
- PREMIUM REVENUES: +26% TO 1,086.9 MILLION EURO IN FIRST HALF. IN THE CAR BUSINESS PREMIUM REVENUES REPRESENT 50.5% OF TOTAL (45.9% ON 30 JUNE 2011)
- NET FINANCIAL POSITION NEGATIVE 1,702.7 MILLION EURO (NEGATIVE 1,305.0 MILLION AT END MARCH 2012), AFTER DIVIDEND PAYMENTS OF 132.3 MILLION EURO, THE PURCHASE OF TWO RETAIL CHAINS FOR 106.2 MILLION EURO AND INVESTMENTS OF 114.8 MILLION EURO

TYRE ACTIVITIES

- EBIT: +32.4% AT 413.6 MILLION EURO (312.5 MILLION ON 30 JUNE 2011)
- EBIT MARGIN ROSE TO 13.8% FROM 11.3% ON 30 JUNE 2011
- CONSUMER BUSINESS EBIT MARGIN AT 15.0% (12.4% ON 30 JUNE 2011)
- INDUSTRIAL BUSINESS EBIT MARGIN 10.2% (8.7% ON 30 JUNE 2011)
- REVENUES: +8.7% AT 3,000.3 MILLION EURO (2,760.9 ON 30 JUNE 2011)

2012 TARGETS

- EBIT CONFIRMED AT LEAST 800 MILLION EURO THANKS TO CONTINUED PREMIUM GROWTH, A STABLE PRICING POLICY AND EFFICIENCIES RAISED TO APPROX. 150 MILLION EURO (FROM 120 MILLION EURO)
- EBIT MARGIN CONFIRMED AT ABOVE 12%
- NET FINANCIAL POSITION CONFIRMED NEGATIVE FOR AN AMOUNT BELOW 1.1 BILLION EURO AFTER DIVIDEND PAYMENTS.

- REVENUE TARGET FORESEEN AT APPROX. 6.4 BILLION EURO (PREVIOUS TARGET APPROX. 6.45 BILLION EURO) DUE TO TOTAL VOLUME REDUCTION OF -3/-4% LINKED TO A MORE RAPID EXIT FROM LESS PROFITABLE STANDARD PRODUCTS (PREVIOUS VOLUME TARGET -1/-2%). PREMIUM VOLUME GROWTH CONFIRMED AT APPROX. +20%, PRICE/MIX CONFIRMED AT +11/+12%

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- BOARD COOPTS CARLO SALVATORI

Milan, 26 July 2012 – The Board of Directors of Pirelli & C. SpA today reviewed and approved results for the six months which ended on 30 June 2012.

The first half of 2012 saw growth in key economic and profit indicators compared with the same period in 2011, despite the slowdown of the macro-economic scenario which worsened in the second quarter. The strategic focus on the Premium segment, the growth of which was confirmed, the reinforcement of production and commercial presence in rapidly growing economies and a more favourable demand dynamic, offset the negative impact on sales' volumes, resulting in a further increase in profitability.

As a part of this strategy, Pirelli signed an agreement with PT Astra Otoparts for the construction in Indonesia of a conventional motorcycle tyre factory, launched production in Mexico – where in the second quarter the Silao plant was inaugurated to serve the entire Nafta area – and in the second quarter acquired retail distribution chains in Brazil and Sweden.

Consolidated revenues on 30 June 2012 totaled 3,021.8 million euro, an increase of 8.3% compared with 2,789.3 million euro in the first half of 2011. The operating result (Ebit) after consolidated restructuring charges was 400.7 million euro, with an increase of 38.1% compared with 290.1 million euro in the first half of 2011 and was equal to 13.3% of revenues (Ebit margin), an improvement from 10.4% in the first half of 2011. The net result was 221.7 million euro, an increase of 39.6% from 158.8 million euro in the first half of 2011.

The consolidated net financial position was negative 1,702.7 million euro (negative 1,305.0 million euro at end March 2012) and reflects, among other things, the payment of dividends of 132.3 million by the parent company, the acquisition for a total of 106.2 million euro of the Campneus retail chain in Brazil and the Däckia retail chain in Sweden and investments of 114.8 million euro.

The Tyre activities, which at 99% of sales represent the group's core business, saw growth in economic results thanks to Pirelli's strategic focus in the Consumer business in the Premium segment which as well as presenting higher profit margins confirmed its resilience as a sector even in areas hit hardest by the macro-economic crisis. This strategy effectively offsets the overall slowdown in demand linked to the deterioration of the macro-economic scenario, the repercussions of which in terms of volumes are particularly noticeable in the Industrial business with its greater exposure to economic cycles. The effectiveness of the strategy is evident as profitability in both business segments increased in the first half of 2012: in particular, profitability in the consumer business (Ebit margin) rose to 15.0% from 12.4% on 30 June 2011, while profitability in the Industrial segment rose to 10.2% (8.7% on 30 June 2011), regardless of the fall in revenues.

With regard to the Premium segment, in particular, revenues in the first half grew by 26% to 1,086.9 million euro. In the Car business alone, Premium revenues in the half accounted for 50.5% of the total, an increase of approximately 4.5 percentage points compared with 45.9% in the same period in 2011.

With regard to Premium products, in the first half Pirelli launched the Cinturato P7 Blue, the first tyre ever to receive the European double "A" label thanks to its reduced braking distances in the wet and low rolling resistance. The P7 Blue – aimed exclusively at the replacement channel – enriches the range of Pirelli Premium products. With regard to winter tyres, Pirelli launched the Scorpion Winter, a product developed for SUVs and Crossover vehicles, thanks to innovative solutions and technologies.

Pirelli & C. SpA Group

At the consolidated level, Pirelli closed the **first half** with **revenues** of 3,021.8 million euro, an increase of 8.3% compared with 2,789.3 million euro in the same period of 2011, and an **operating result (Ebit) after restructuring charges** of 400.7 million euro, with an increase of 38.1% compared with 290.1 million euro for the corresponding period of 2011. The results were impacted by non-recurring charges of 14.5 million euro. **Profitability** expressed in terms of the operating result as a percentage of sales (Ebit margin) was 13.3%, an improvement of almost 3 percentage points compared with 10.4% in the first half of 2011.

In the **second quarter**, in particular, **revenues** rose 5.5% to 1,465.3 million euro, with an **operating result (Ebit**) which rose 30.3% to 191.3 million euro, with profitability (Ebit margin) rising to 13.1% from 10.6% in the same period of 2011.

Consolidated net profit, at 221.7 million euro on 30 June 2012, registered an increase of 39.6% compared with 158.8 million euro in the first half of 2011. The quota of the **net result attributable to Pirelli & C. Spa** on 30 June 2012 was a positive 219.5 million euro compared with 161.7 million euro in the first half of 2011. In the **second quarter**, in particular, net profit amounted to 96.4 million euro, an increase of 24.5% from 77.4 million euro in the same period of 2011. In the quarter the net attributable result was 96.6 million euro, an increase of 22.4% compared with 78.9 million euro a year earlier.

Consolidated net equity on 30 June 2012 stood at 2,246.9 million euro compared with 2,191.6 million euro at the end of 2011. The **consolidated net equity attributable to Pirelli & C. SpA** amounted to 2,195.3 million euro (4.499 euro per share) compared with 2,146.1 million euro at the end of 2011 (4.398 euro per share).

The group's **net financial position** on 30 June 2012 was negative 1,702.7 million euro compared with negative 1,305.0 million euro on 31 March 2012. The variation during the quarter was due to dividend payments of 132.3 million euro by the parent company, the acquisition for a total of 106.2 million euro for the retail chains Campneus in Brazil and Däckia in Sweden, the outlay of 77.6 million euro linked to the Long Term Incentive (LTI) plan, for the 3-year period 2009-2011, as well as investments of 114.8 million euro, equal to 1.7 times amortizations.

Tyre Activities

On 30 June **Pirelli Tyre's revenues** amounted to 3,000.3 million euro, an increase of 8.7% from 2,760.9 million euro for the same period in 2011. In total, revenues, net of a negative 0.5% exchange rate effect, registered growth of 9.2% on a like-for-like basis, thanks to the positive contribution (+13.9%) of the price/mix component and sales generated in Russia (+2.8%). These elements more than offset the negative volumes' performance, down 7.5% without including the Russian joint venture in the comparison as last year it was not included in the scope of consolidation.

The fall in volumes is linked in part to the slowdown in demand stemming from the economic situation, particularly in Europe, and in part due to reduced production of standard tyres in favour of the Premium segment. The focus on the **Premium segment** was as such confirmed a driver of the positive revenue performance and capable of shoring up the fall in volumes. Revenues in this segment registered total growth in the half of 26% to 1,086.9 million euro. In particular, in the Consumer business, where high and ultra-high performance production is concentrated, Premium volumes in the half in fact increased by 14% compared with a decline of 5.2% in overall volumes, excluding Russia.

The **gross operating margin (Ebitda) before restructuring charges** totaled 556.2 million euro, an increase of 30% compared with 427.9 million euro in the first half of 2011, equal to 18.5% of sales up from 15.5% on 30 June 2011.

The **operating result (Ebit) after restructuring charges** amounted in the first half to 413.6 million euro, an increase of 32.4% compared with 312.5 million euro on 30 June 2011, equal to 13.8% of sales (Ebit margin) compared with 11.3% in the first half of 2011. The result reflects restructuring charges in the half of 14.5 million euro (12.5 million euro alone in the second quarter of 2012) relating to industrial efficiency actions.

The results' improvement is essentially due to the contribution from the mix component, correlated to the strategic focus on Premium products, and the confirmation of an effective pricing policy, as well as efficiency actions on industrial activities, even if partly penalized by reduced capacity utilization at some sites. Production in the truck sector, in particular, was also impacted in the second quarter by production slowdowns at the Egyptian factory linked to the difficult local political, economic and social context.

In the **second quarter**, in particular, sales totaled 1,457.7 million euro, with an increase of 5.9% compared with 1,376.4 million euro in the second quarter of 2011. In total, revenues, before the negative 1.1% exchange rate effect, grew 7.0% on a like-for-like basis, thanks to the positive contribution (+11.1%) of the price/mix component and sales generated in Russia (+3.5%). These elements more than compensated for the negative volume performance, down 7.6% without including the Russian joint venture in the comparison as last year it was not included in the scope of consolidation. The Premium revenue performance was positive, growing 22% in the second quarter of 2012. The **gross operating margin (Ebitda) before restructuring charges** was 275.9 million euro, an increase of 26.3% from 218.4 million euro in the second quarter of 2011. The **operating result (Ebit) after restructuring charges** was 198.4 million euro, an increase of 23.9% compared with the same period in 2011, with a profitability of 13.6% against 11.6% on 30 June 2011. **In the second quarter of 2012** the impact of r**aw materials** diminished significantly compared with the previous quarter, with a negative impact of 5 million euro, a net improvement compared with the negative 85 million euro impact registered in the first quarter of 2012.

In the ***Consumer*** *business* ***(car and moto tyres)***, revenues in the first half totaled 2,230.1 million euro, an increase of 14.8% compared with 1,942.2 million euro in the first six months of 2011. In total, revenues, before the positive 0.2% exchange rate effect, registered growth of 14.6%. The price/mix component, positive 16.3%, and the 3.5% contribution from the Russia joint venture, more than compensated for the fall in volumes, down 5.2% without including the Russian joint venture in the comparison as last year it was not included in the scope of consolidation. In the first half, revenues from Premium products grew 26%. The operating result after restructuring charges on 30 June was 335.3 million euro, an increase of 39.1% compared with 241.1 million euro in the first half of 2011 and represented 15.0% of revenues (12.4% in the same period of 2011).

In the **second quarter**, in particular, Consumer revenues amounted to 1,078.3 million euro, with an increase of 12.5% compared with 958.9 million euro in the first half of 2011. In total, revenues, net of the negative 0.2% exchange rate effect, registered growth of 12.7% on a like-for-like basis, thanks to the positive contribution of the price/mix component (+13.6%) and sales generated in Russia (+4.4%). These elements more than compensated for the negative volume performance, down 5.3% excluding the Russian joint venture from the scope of consolidation. The Premium segment performed positively and saw revenue growth of 22% and volume growth of 12.3%. The operating result was 153.2 million euro (124.3 million euro in the same period of 2011), and represented 14.2% of revenues (Ebit margin) compared with 13.0% in the second quarter of 2011).

In the ***Industrial*** *business* ***(Industrial vehicle tyres and Steelcord)*** revenues amounted to 770.2 million euro in total, a decrease of 5.9% from 818.7 million euro in the same period of 2011, while the operating result was 78.3 million euro, with an increase of 9.7% from 71.4 million euro in the first half of 2011 and represented 10.2% of sales, up from 8.7%. **In the second quarter**, in particular, sales amounted to 379.4 million euro (417.5 million euro in the same period in 2011), with an operating result of 45.2 million euro (35.8 million euro in the same period of 2011) and equal to 11.9% of sales, up from 8.6%. The results of the Industrial segment, with its greater exposure to the economic crisis, also reflect the negative effect on sales volumes influenced in the second quarter by the reduction of activity at the Egyptian factory as a result of the difficult economic and social context. Profitability, however, showed improvement, benefitting not only from ongoing efficiency actions at production sites, but also the reduction of raw material costs which have a more significant impact on this business segment.

In line with its Premium strategy, focused in particular on the Pirelli brand, on 23 April 2012 Pirelli Tyre Spa signed an agreement allowing Zafco – a distributor of tyres, batteries and lubricants in over 85 countries – to use under license the Armstrong brand for a maximum period of five years from the signing of the agreement. Zafco - which has undertaken to acquire that brand from in the same five years – will on the basis of the agreement pay a minimum royalty of 2.5 million dollars, of which one million was already paid at the moment of signing. When it acquires the brand, which will happen within the same five years, Zafco will pay an additional 1.5 million dollars. The Armstrong brand refers mainly to agricultural and commercial tyres.

On 30 June 2012, the number of **employees** was 36,349 compared with 34,259 on 31 December 2011.

Corporate governance

The Board of Directors also proceeded to coopt Carlo Salvatori. There was, in fact, one place left vacant following the resignation from the board on 25 May 2012 of Mr. Giuseppe Vita.
Carlo Salvatori's curriculum will be available at www.pirelli.com. No decision has yet be taken, however, with regard to the resignation from the board on 23 July 2012 of Mr. Giovanni Perissinotto.

The Board of Directors, on the basis of available information and statements from those concerned then established the existence of the requirements of independence (both in accordance with legislative decree 58/1998 and the self-regulation code of listed companies) with regard to board member Manuela Soffientini, coopted on 1 March 2012 and confirmed in the role by shareholders on 10 May 2012 and accepted the existence of the requirements of independence and honorability in accord with applicable law and Borsa Italian's self-regulation code with regard to the members of the Audit Committee nominated at the shareholders' meeting on 10 May 2012.

The Board of Directors also nominated as components of the Strategies Committee the board members Alberto Bombassei e Manuela Soffientini. The Strategies Committee thus consists of: Marco Tronchetti Provera, Chairman; Alberto Bombassei; Franco Bruni; Francesco Chiappetta; Vittorio Malacalza; Renato Pagliaro; Carlo Secchi; Manuela Soffientini.

The Board of Directors in conclusion nominated to the Supervisory Body, the Standing Auditor Antonella Carù in place of Prof. Paolo Domenico Sfameni, whose role as a member of the Vigiliance Body ended as a consequence of the conclusion of his role as Standing Auditor for the Company.

2012 Outlook

Absent any presently unforeseeable events, Pirelli confirms its 2012 profitability target at 800 million euro at least with an ebit margin above 12% (compared with 580 million euro in 2011, margin 10.3%), despite the critical macro-economic context. This result will be achieved thanks to the value strategy based on a focus on Premium products (volumes of which are expected to grow by approximately 20%), the expected growth in price/mix of +11/+12% and on a more incisive efficiencies plan, increased by approximately 30 million euro to approximately 150 million euro (previous target 120 million euro).

The greater efficiencies together with the lower impact of raw material costs (by 30 million euro, from 90 to 60 million euro), will permit the absorption of costs linked to the acceleration towards Premium products and the reduction of output of standard, and low profitability, tyres which are more greatly impacted by the present economic crisis.

As a consequence of the faster exit from the standard segment, the volume target in the Consumer business has been revised for the year to -2.5%/-3.5% (previous target -0.5/-1.5%). In the industrial business, with its greater exposure to the economic cycle and further penalized by non-recurrent events such as the just concluded strike at the Egypt factory and delays linked import licenses in Argentina, the volume target has been reduced to -5/-6% (previous -2/-4%). The overall volume target has been this lowered to -3/-4% from the prior -1/-2%.

The targets for the Russian joint venture are confirmed: sales are seen at approximately 250 million euro, with a "mid-single digit" ebit margin. Following the acquisition of Däckia distribution chain in Sweden in June, its sales of approximately 50 million euro will be consolidated the revenue target.
Taking the above described dynamics into account, the 2012 sales target has been revised to approximately 6.4 billion euro from the prior target of approximately 6.45 billion euro.

The net financial position is confirmed negative for an amount below 1.1 billion euro after dividend payments. Investments for the year are seen at below 500 million euro (prior target approximately 500 million euro) and will be predominantly destined to the expansion of Premium capacity, and quality and mix improvements.

Conference call

The results for the six months ended 30 June 2012 will be illustrated today via conference call at 18.45 with the participation of the Chairman and Ceo of Pirelli & C. SpA, Marco Tronchetti Provera and the group's top management. Journalists will be able to follow the presentation by telephone, without the ability to ask questions, by dialing **+39.06.3348.5042.** The presentation will also be webcast – in real time – at www.pirelli.com in the Investors Relations sections, where the slides will also be available.

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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

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.

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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 euro)

	30/06/2012	30/06/2011	31/12/2011 *
Sales	**3.021,8**	**2.789,3**	**5.654,8**
Gross operating profit before restructuring expenses	545,7	410,9	834,6
%on sales	18,1%	14,7%	14,8%
Operating profit before restructuring expenses	415,2	297,8	609,7
%on sales	13,7%	10,7%	10,8%
Restructuring expenses	(14,5)	(7,7)	(27,8)
Operating profit	**400,7**	**290,1**	**581,9**
%on sales	13,3%	10,4%	10,3%
Earnings (losses) from investments	(2,7)	0,9	(17,3)
Financial income (expenses)	(48,8)	(44,7)	(89,5)
Pretax profit	**349,2**	**246,3**	**475,1**
Income taxes	(127,5)	(87,5)	(162,5)
Tax rate %	36,5%	35,5%	34,2%
Income (loss) from continuing operations	**221,7**	**158,8**	**312,6**
Italian deferred tax assets	-	-	128,1
Net income (loss)	**221,7**	**158,8**	**440,7**
Income (loss) attributable to Pirelli & C. S.p.A.	219,5	161,7	451,6
Earnings per share (in euro) (*)	0,450	0,331	0,926
Fixed assets	**3.813,4**	**3.203,0**	**3.558,1**
Inventory	1.200,4	844,3	1.036,7
Commercial credits	964,3	887,1	745,2
Commercial debts	(1.149,0)	(1.140,8)	(1.382,8)
Net working capital operations	**1.015,7**	**590,6**	**399,1**
% of sales	16,8%	10,6%	7,1%
Other credits/debts	(69,9)	(188,2)	(243,9)
Net working capital	**945,8**	**402,4**	**155,2**
% of sales	15,6%	7,2%	2,7%
Net capital invested	**4.759,2**	**3.605,4**	**3.713,3**
Equity	**2.246,9**	**2.047,2**	**2.191,6**
Funds	809,6	779,3	784,6
Net financial (liquidity) / debt position	**1.702,7**	**778,9**	**737,1**
Equity attributable to the equity holders of Pirelli & C. S.p.A.	2.195,3	2.013,6	2.146,1
Equity per share (in euro) (*)	4..499	4.126,000	4.398,000
Investment in material and immaterial goods	194,9	234,1	626,2
R&D investment	91,6	84,9	169,7
% of sales	3,0%	3,0%	3,0%
Headcount (number at period-end)	36.349	31.643	34.259
Headcount (number at period-end)	23	20	21

(°) in the intermediate periods the sales data are annualized
*the items under Balance sheet were restated to retrospectively receive the effects of the definitive allocation of the price paid in the “acquisition in Russia” operation
* the items under Balance sheet were restated to retrospectively receive the effects of the definitive allocation of the price paid in the “acquisition in Russia” operation

(million euro)

	Attività Tyre		Altre attività (*)		Totale	
	1° sem. 2012	1° sem. 2011	1° sem. 2012	1° sem. 2011	1° sem. 2012	1° sem. 2011
Sales	**3.000,3**	**2.760,9**	**21,5**	**28,4**	**3.021,8**	**2.789,3**
Gross Operating profit before restructuring exp.	556,2	427,9	(10,5)	(17,0)	545,7	410,9
Operating profit (loss) before restructuring exp.	428,1	320,2	(12,9)	(22,4)	415,2	297,8
Restructuring expenses	(14,5)	(7,7)	-	-	(14,5)	(7,7)
Operating profit (loss) (EBIT)	**413,6**	**312,5**	**(12,9)**	**(22,4)**	**400,7**	**290,1**
% on sales	*13,8%*	*11,3%*			*13,3%*	*10,4%*
Earnings (loss) from investments					(2,7)	0,9
Financial income (expenses)					(48,8)	(44,7)
Pre-tax profit					**349,2**	**246,3**
Income taxes					(127,5)	(87,5)
tax rate %					*36,5%*	*35,5%*
Income (loss)					**221,7**	**158,8**
Net financial (liquidity) / debt position					**1.702,7**	**778,9**

(*) The item in 2012 includes the Pirelli Ecotechnology group,the Pirellli Ambiente group and PZero S.r.l. while in 2011 the data of financial and service companies (including the Parent Company) were present from this year grouped into Tyre Activities

(million euro)

	1° trimestre		2° trimestre		1° SEMESTRE	
	2012	2011	2012	2011	2012	2011
Operating profit (EBIT) before restructuring charges	211,4	146,5	203,8	151,3	415,2	297,8
Amortization	64,4	56,9	66,1	56,2	130,5	113,1
Material and Immaterial Investment	(80,1)	(96,9)	(114,8)	(137,2)	(194,9)	(234,1)
Variation working capital/other	(512,8)	(313,5)	(238,8)	18,1	(751,6)	(295,4)
FREE CASH FLOW	**(317,1)**	**(207,0)**	**(83,7)**	**88,4**	**(400,8)**	**(118,6)**
Financial income/expenses	(18,7)	(14,8)	(30,1)	(29,9)	(48,8)	(44,7)
Income taxes	(65,9)	(47,9)	(61,6)	(39,6)	(127,5)	(87,5)
OPERATING CASH FLOW	**(401,7)**	**(269,7)**	**(175,4)**	**18,9**	**(577,1)**	**(250,8)**
Financial Investments/divestments	3,2	24,4	-	-	3,2	24,4
Investment in Russia	(154,5)	-	-	-	(154,5)	-
Investment in distributor Dackia - Svezia	-	-	(70,8)	-	(70,8)	-
Investment in distributor Campneus - Brasile	-	-	(35,4)	-	(35,4)	-
Dividends pai by the parent Company	-	-	(132,3)	(81,1)	(132,3)	(81,1)
Other dividends paid out to third parties	(2,2)	(0,7)	(0,7)	(1,7)	(2,9)	(2,4)
Cash Out for restructuring	(4,2)	(2,8)	(3,3)	(5,7)	(7,5)	(8,5)
Translations changes/others	(8,5)	(8,4)	20,2	3,5	11,7	(4,9)
Net cash flow	**(567,9)**	**(257,2)**	**(397,7)**	**(66,1)**	**(965,6)**	**(323,3)**