



PIRELLI FY 2013 RESULTS

MILANO – MARCH 27, 2014

AGENDA



KEY MESSAGES



FY 2013 RESULTS



2014 OUTLOOK & TARGETS



2013 TYRE OVERVIEW



APPENDIX

KEY MESSAGES

- > **Sound 2013** and progress along our 2014-2017 plan: 20% ROI and FCF above 200 million euro
- > **Our route to value:** focus resources on highest return projects across businesses and regions to maximize ROI
- > **Positive start of 2014** through our grip on pillars of Premium value creation

AGENDA



KEY MESSAGES



FY 2013 RESULTS



2014 OUTLOOK & TARGETS



2013 TYRE OVERVIEW



APPENDIX

PIRELLI 2013 FY RESULTS VS GUIDANCE

	Targets Industrial Plan	Actual	
Total Revenues	~6.2 €/Bln	6.15 €/Bln	<ul style="list-style-type: none"> +8.4% organic growth Premium in Europe above expectations Slower OE volumes in South America; FX deteriorated further in 4Q in MEA and South America
Growth rate	YoY >2%	YoY +1.2%	
<i>o/w volumes</i>	~+6%/6.5%	+5.7%	
<i>o/w Premium</i>	>13%	15.3%	
<i>o/w price/mix</i>	+3%/3.5%	+2.9%	
<i>o/w Foreign Exchange</i>	~-7%	-7.2%	
EBITDA% before restructuring	~18%	18.0%	
EBIT% before restructuring	13%	13.3%	<ul style="list-style-type: none"> In line with target. Price mix and efficiencies the main profitability drivers.
EBIT reported	~790 €/Mln	791 €/Mln	
Capex	~400€/Mln	413 €/Mln	<ul style="list-style-type: none"> Above target thanks to efficient NWC management
Net Free Cash Flow before dividends*	>200€/Mln	232 €/Mln	
Net Financial Position	<1.4€/Bln	1.3 €/Bln	
Net Debt/Ebitda	1.2x	1.2x	
ROI**	20%	20%	

* Excluding Prelios impact

** w/o financial assets, before restructuring costs

PIRELLI KEY FINANCIAL RESULTS

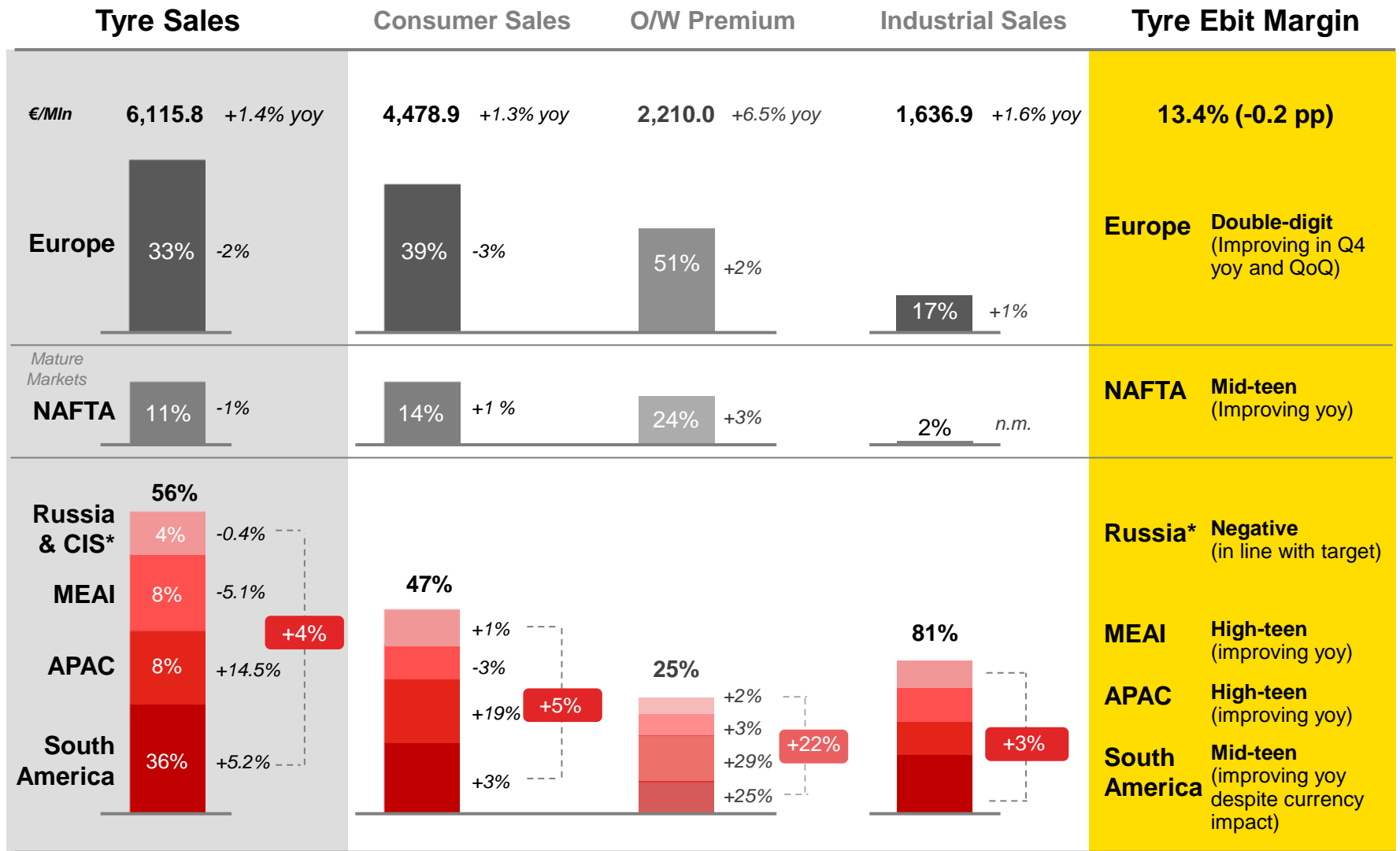
	FY13	FY12*	Δ yoy	4Q13	4Q12*	Δ yoy	4Q Highlights
Revenues	6,146.2	6,071.5	+1.2%	1,496.3	1,497.4	-0.1%	<ul style="list-style-type: none"> Industry-leading organic growth performance, rising FX impact (-9.1%)
<i>Organic growth**</i>			+8.4%			+9.0%	
EBITDA before Restr. Costs <i>Margin</i>	1,105.4 18.0%	1,102.9 18.2%	+0.2%	292.0 19.5%	285.0 19.0%	+2.5%	
EBIT before Restr. Costs <i>Margin</i>	816.5 13.3%	831.6 13.7%	-1.8% -0.4 pp	219.6 14.7%	212.6 14.2%	+3.3% +0.5 pp	<ul style="list-style-type: none"> Highest quarterly Ebit in 2013 despite FX impact thanks to strong price/mix improvement
Restructuring Costs	(25.5)	(39.1)		(10.3)	(20.9)		
EBIT <i>Margin</i>	791.0 12.9%	792.5 13.1%	-0.2% -0.2 pp	209.3 14.0%	191.7 12.8%	+9.2% +1.2 pp	
PBT <i>Tax Rate</i>	516.9 40.7%	589.8 33.6%		106.7 <i>n.m.</i>	118.7 25.7%		<ul style="list-style-type: none"> Net income discounts impact of equity participations (Prelios -57 € mln). FY Tax rate net of impact of equity participations at 35%.
Net Income	306.5	391.5		48.4	88.2		
Attributable Net Income	303.6	387.1		41.5	85.8		
Investments***	413.1	470.9		174.8	143.5		<ul style="list-style-type: none"> Strong net cash flow (+648.5 € mln) due to seasonality and NWC management
Net Debt	1,322.4	1,205.2					

* IAS 19 Restated

** Excluding exchange rate effects

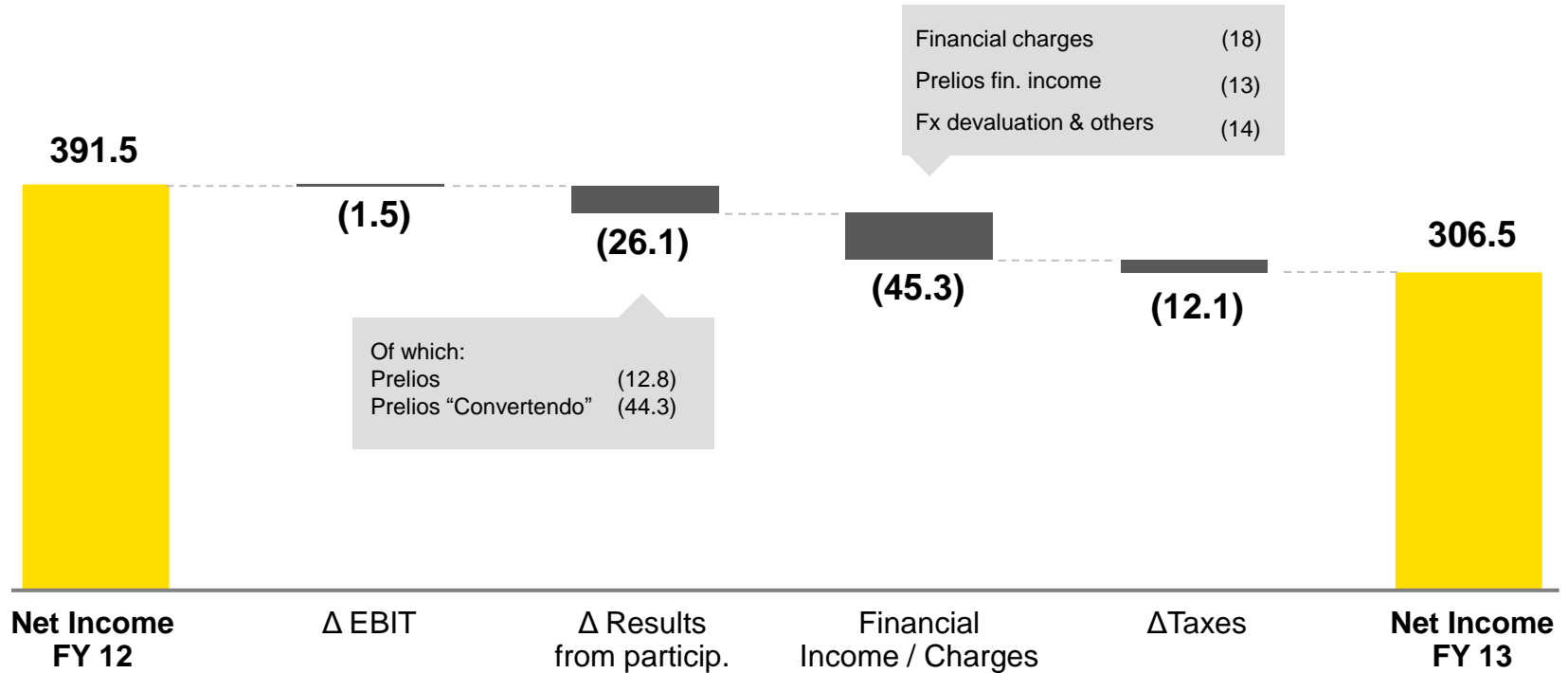
*** Tangible and intangible investments

FY 2013 PERFORMANCE BY REGION



* Import sales included

PIRELLI NET INCOME FY 2013 VS FY 2012



DIVIDEND PROPOSAL

Dividend Proposal to be filed with Pirelli & C. AGM (June 12, 2014)

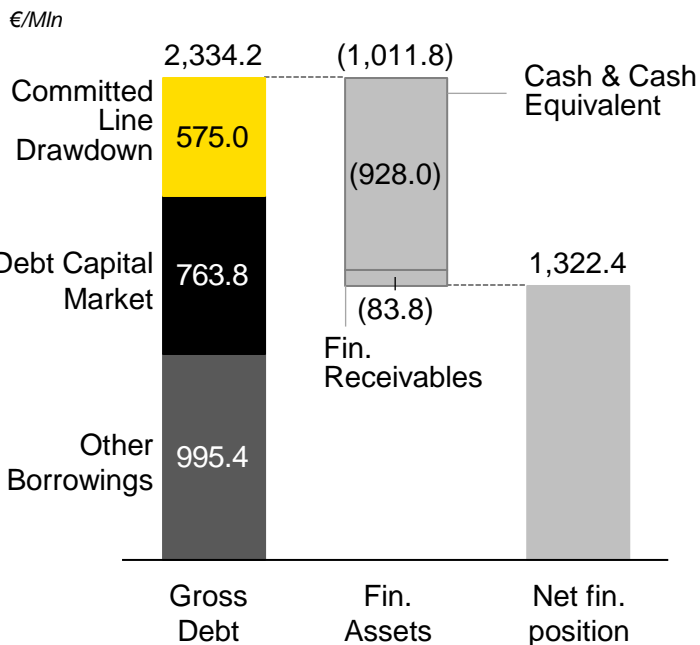
	DPS (€)			N° of Shares*	Dividends (€/mln)	
	2013	2012	Δ % yoy	<i>mln</i>	2013	Δ % yoy
Ordinary shares	0.320	0.320	-	475	152.1	-
Savings shares	0.390	0.390	-	12	4.6	-
					156.7	-
					43% of Group Net Income adjusted (net of equity part. Impact)	

Dividend Payment Schedule

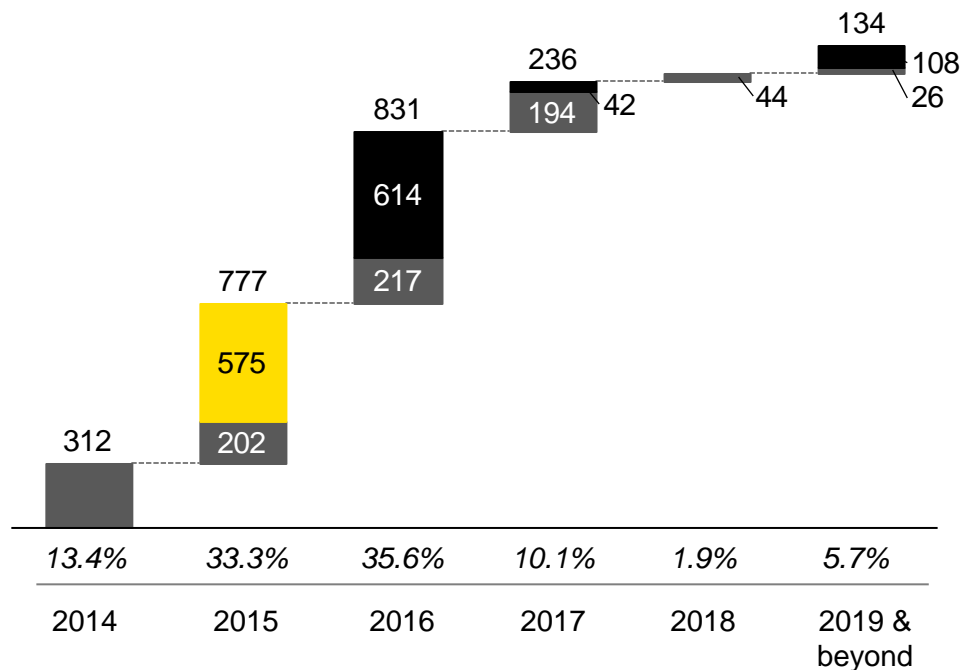
- **Coupon Detachment:** June 16th, 2014
- **Dividend Payment:** June 19th, 2014, record date June 18th

PIRELLI DEBT STRUCTURE AS OF DECEMBER 31, 2013

Net Financial Position



Gross Debt Maturity



Liquidity Profile

€/Mln

Liquidity position	928.0
Total committed lines not drawn due 2015	625.0
Liquidity Margin	1,553.0

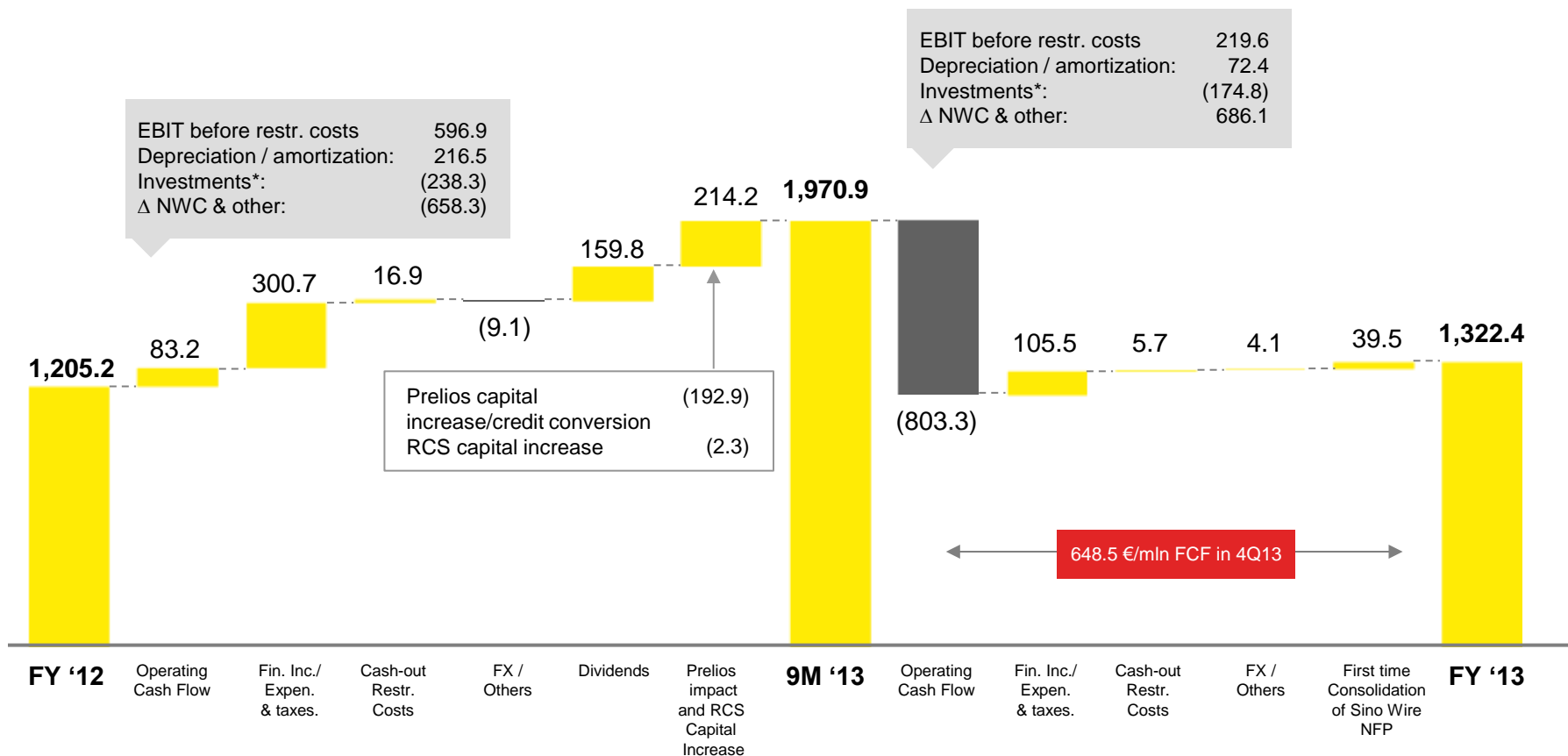
Debt Profile

- > 50% of the debt maturity beyond 2015
- Cost of debt ~ 6.23%
- Gross debt profile ~75% Fixed and ~25% Floating
- Average debt maturity: ~ 2.4 years

* Before deferred tax assets (positive impact)

PIRELLI FY 2013 NET FINANCIAL POSITION

€/Mln



* Tangible and intangible investments

AGENDA



KEY MESSAGES



FY 2013 RESULTS



2014 OUTLOOK & TARGETS



2013 TYRE OVERVIEW



APPENDIX

2014 SECTOR OUTLOOK

- > Global **Car+LT volume** growth confirmed at low single digit (~3% yoy). Mature Markets' outlook better than previously assumed. Solid Replacement market in South America, with improving mix; OE volumes discount lower car production.
- > **Premium** growth is confirmed at 3x Non-Premium; Europe and Asia Pacific tracking above Industrial Plan expectations.
- > **Truck** market growth confirmed at low single digit (<3% yoy). Europe and South America slightly better.
- > **Price** increases to offset inflation and FX in Emerging Markets; OE raw material clauses in line with expectations.
- > **Foreign Exchange** translation impact mitigated by a balanced geographical exposure, price increases and adjustments in sourcing mix.
- > Industry remains **cash flow generation** oriented

2014 PIRELLI OUTLOOK BY REGION

Car Tyre Market			2014 Target Tyre Business				Highlights
			Revenues		EBIT%		
Europe	+3% yoy o/w Premium up double-digit	▲	Low single-digit growth	▲	Mid-teens	▲	Positive development of Premium, efficiency and use of low-cost sources
NAFTA	+3% yoy o/w Premium up mid single-digit	=	Mid single-digit growth	=	Mid-teens	=	Premium growth above market, thanks to new and locally sourced products. Mix improvement compensates for FX headwinds
Russia and CIS	-1% yoy o/w Premium flat	▼	Double-digit growth	=	Mid single-digit	=	Mix improvement and efficiency gains the key drivers of the turnaround
South America	RT +4% , o/w Premium up mid-teen OE +0% , vs +5% previously	= ▼	Organic growth confirmed Overall sales slightly down	▼	Mid-teens	=	Solid replacement demand, slight slowdown in OE. Price increases, efficiencies and sourcing mix protect profitability
MEAI	+5% yoy o/w Premium up double digit	▼ ▲	Low single-digit growth	=	High-teens	=	Profitability confirmed at high levels despite FX volatility. Organic sales progressing well as expected
Asia Pacific	+5% yoy o/w Premium up double digit	=	Mid single-digit growth	=	High-teens	=	Premium outperformance continues as expected; Replacement benefits from top positioning in OE

▲ ▼ = Δ vs old target

FY 2014 TARGETS UPDATE

at constant consolidation perimeter*

	2014 Targets November '13	2014 Targets Update	
€/Mln			
Revenues	~6.6	~6.2	Discounting a more cautious scenario on Forex
Volumes	> +5%	Confirmed	
o/w Premium	~ +12%	> +14%	Stronger Premium growth in Europe
Price/mix	~ +3% / ~ +4%	~ +4% / ~ +5%	
Organic revenue growth	> +8% / +9%	> +9% / +10%	
Foreign Exchange	~ -2% / ~ -3%	~ -9% / ~ -10%	
Total revenue growth	> +6%	~ +1%	
Forex Guidance			
	Nov '13	Mar '14	
EUR/USD	1.29	1.36	
EUR/RUB	41.3	47.6	
USD/BRL	2.3	2.4	
USD/VEF	9.3	11.5	
USD/ARS	7.0	8.5	
EBIT post restructuring Implied in Nov '13 guidance**	~850	Confirmed	Higher Forex impact offset by better mix and raw mats
Restructuring costs	50€/mln	Confirmed	
Raw Material impact	-120€/Mln	-75€/Mln	
Capex	<400 €/Mln	Confirmed	
Net cash flow before dividends	>250 €/Mln	Confirmed	
NFP	~1.2 €/bln	Confirmed	

* 2014 data includes contribution of Steelcord business ** Ebit margin before restructuring > 13,5%

2014 CONSUMER & INDUSTRIAL TARGETS

at constant consolidation perimeter*

Consumer Business

	2014 Targets November '13	2014 Targets update
▶ Revenues	~ 4.9	~ 4.6
▶ Volumes	> +6%	Confirmed
o/w Premium	~ +12%	> +14%
▶ Price/mix	+3% / +3.5%	+4% / +4.5%
▶ Forex	-2%	~ -8% / ~ -9%
▶ EBIT % before restructuring	>14%	~15%

Industrial Business

	2014 Targets November '13	2014 Targets update
▶ Revenues	>1.7	~ 1.6
▶ Volumes	~ +4% / ~ +4.5%	Confirmed
▶ Price/mix	+4.5% / +5.5%	+5.0% / +6.0%
▶ Forex	-2.5% / -3.5%	-11.5% / -12.5%
EBIT before restructuring	>13%	~14%

* 2014 data includes contribution of Steelcord business

AGENDA



KEY MESSAGES



FY 2013 RESULTS



2014 OUTLOOK & TARGETS



2013 TYRE OVERVIEW



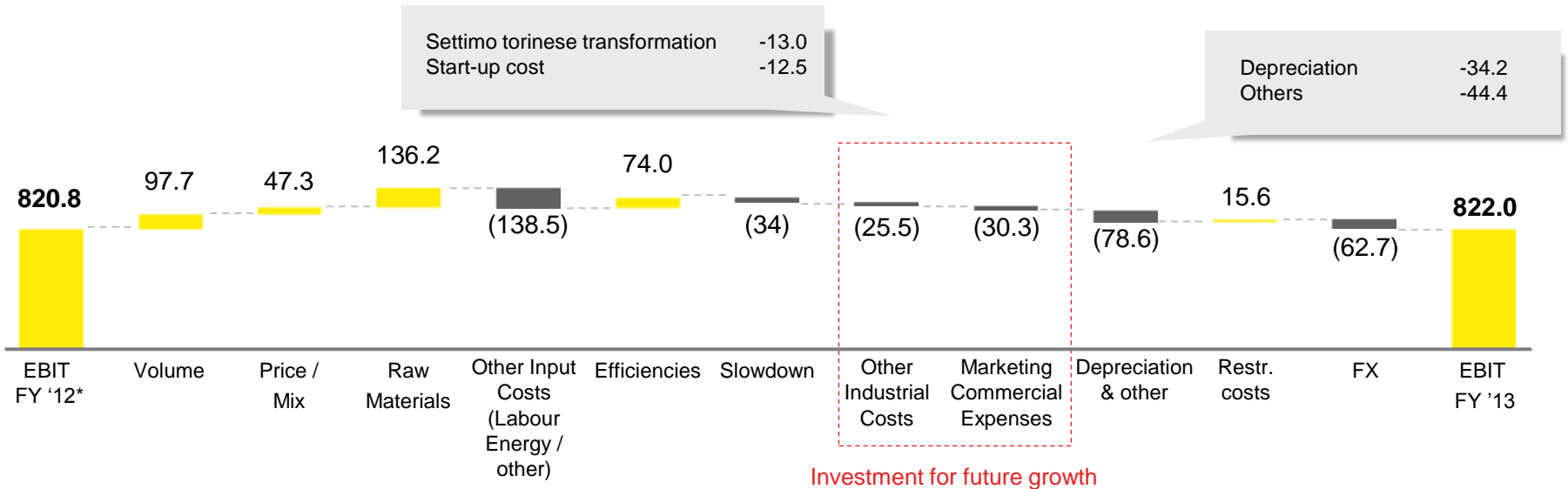
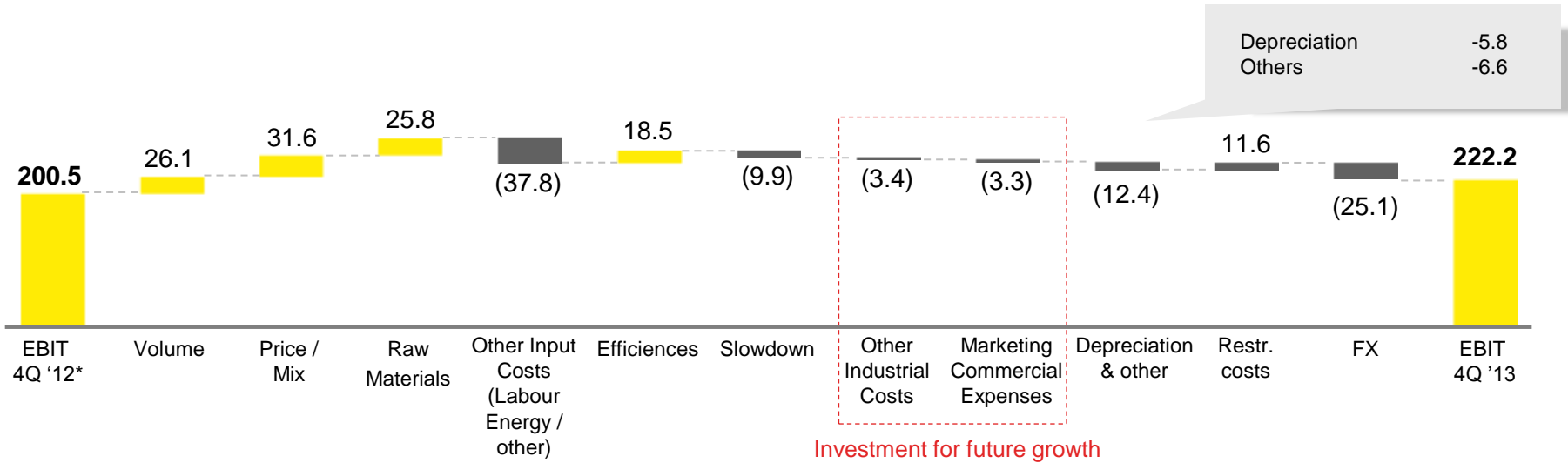
APPENDIX

KEY TYRE RESULTS

	1Q'13	Δ %	2Q'13	Δ %	3Q'13	Δ %	4Q'13	Δ %	FY'13	Δ %
Revenues	1,526.7	-1.0%	1,587.3	8.9%	1,511.8	-2.0%	1,490.0	0.1%	6,115.8	1.4%
<i>o/w premium</i>	548.1	-2.8%	556.6	6.4%	570.6	8.6%	534.7	15.5%	2,210.0	6.5%
EBITDA before Restr. Costs	260.1	-8.3%	282.7	2.0%	284.7	4.3%	302.8	3.4%	1,130.3	0.3%
<i>Margin</i>	17.0%	-1.4 p.p.	17.8%	-1.2 p.p.	18.8%	+1.1 p.p.	20.3%	+0.6 p.p.	18.5%	-0.2 p.p.
EBIT before Restr. costs	188.8	-14.4%	210.6	-0.8%	214.6	4.3%	231.4	4.5%	845.4	-1.7%
<i>Margin</i>	12.4%	-1.9 p.p.	13.3%	-1.3 p.p.	14.2%	+0.9 p.p.	15.5%	+0.6 p.p.	13.8%	-0.5 p.p.
EBIT	185.6	-15.1%	207.2	3.8%	207.0	2.4%	222.2	10.8%	822.0	0.1%
<i>Margin</i>	12.2%	-2.0 p.p.	13.1%	-0.6 p.p.	13.7%	+0.6 p.p.	14.9%	+1.4 p.p.	13.4%	-0.2 p.p.

Revenue drivers	1Q'13	2Q'13	3Q'13	4Q'13	FY'13
Δ Price/Mix	0.0%	5.1%	2.5%	4.3%	2.9%
Δ Volume	3.9%	8.8%	5.4%	4.9%	5.7%
<i>o/w Premium</i>	4.0%	12.9%	19.1%	27.5%	15.3%
Δ Revenues (before exchange rate impact)	3.9%	13.9%	7.9%	9.2%	8.6%
Δ Exchange Rate	-4.9%	-5.0%	-9.9%	-9.1%	-7.2%

PIRELLI TYRE OPERATING PERFORMANCE



* IAS 19 Restated

CONSUMER BUSINESS: PIRELLI PERFORMANCE

	1Q'13	Δ %	2Q'13	Δ %	3Q'13	Δ %	4Q'13	Δ %	FY'13	Δ %
Revenues	1,116.7	-3.0%	1,138.7	5.6%	1,123.2	0.6%	1,100.3	2.6%	4,478.9	1.3%
<i>o/w premium</i>	548.1	-2.8%	556.6	6.4%	570.6	8.6%	534.7	15.5%	2,210.0	6.5%
<i>% revenues</i>	49.1%	+0.2p.p.	48.9%	+0.4p.p.	50.8	+3.8p.p.	48.6%	+5.4p.p.	49.3%	+2.3p.p.
EBITDA before Restr. Costs	194.8	-17.2%	203.5	-5.2%	211.9	0.9%	229.4	8.8%	839.6	-3.6%
<i>Margin</i>	17.4%	-3.0p.p.	17.9%	-2.0p.p.	18.9%	+0.1p.p.	20.8%	+1.2p.p.	18.7%	-1.0p.p.
EBIT before Restr. costs	138.0	-26.3%	146.7	-10.8%	155.3	-1.6%	172.2	11.3%	612.2	-7.8%
<i>Margin</i>	12.4%	-3.9p.p.	12.9%	-2.3p.p.	13.8%	-0.3p.p.	15.7%	+1.3p.p.	13.7%	-1.3p.p.
EBIT	136.0	-26.6%	144.2	-6.7%	151.2	-2.3%	165.0	11.5%	596.4	-7.2%
<i>Margin</i>	12.2%	-3.9p.p.	12.7%	-1.6p.p.	13.5%	-0.4p.p.	15.0%	+1.2p.p.	13.3%	-1.2p.p.

Revenue drivers	1Q'13	2Q'13	3Q'13	4Q'13	FY '13
Δ Price/Mix	-0.5%	5.7%	3.1%	5.1%	3.2%
Δ Volume	1.2%	4.6%	6.0%	6.9%	4.6%
<i>o/w Premium</i>	4.0%	12.9%	19.1%	27.5%	15.3%
Δ Revenues (before exchange rate impact)	0.7%	10.3%	9.1%	12.0%	7.8%
Δ Exchange Rate	-3.7%	-4.7%	-8.5%	-9.4%	-6.5%

INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

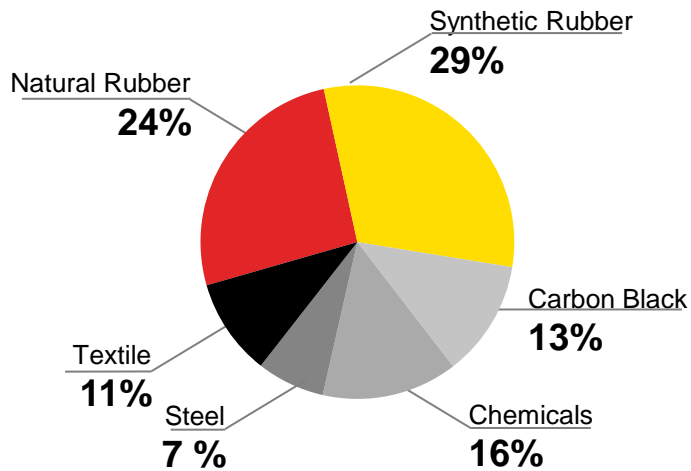
	1Q'13	Δ %	2Q'13	Δ %	3Q'13	Δ %	4Q'13	Δ %	FY'13	Δ %
Revenues	410.0	4.9%	448.6	18.2%	388.6	-8.7%	389.7	-6.2%	1,636.9	1.6%
EBITDA before Restr. Costs	65.3	35.5%	79.2	26.7%	72.8	15.9%	73.4	-10.5%	290.7	13.8%
<i>Margin</i>	15.9%	+3.6p.p.	17.7%	+1.2p.p.	18.7%	+4.0p.p.	18.8%	-0.9p.p.	17.8%	+1.9p.p.
EBIT before Restr. costs	50.8	53.0%	63.9	33.7%	59.3	23.5%	59.2	-11.2%	233.2	19.2%
<i>Margin</i>	12.4%	+3.9p.p.	14.2%	+1.6p.p.	15.3%	+4.0p.p.	15.2%	-0.9p.p.	14.2%	+2.1p.p.
EBIT	49.6	49.8%	63.0	39.4%	55.8	18.0%	57.2	9.0%	225.6	26.7%
<i>Margin</i>	12.1%	+3.6p.p.	14.0%	+2.1p.p.	14.4%	+3.3p.p.	14.7%	+2.1p.p.	13.8%	+2.7p.p.

Revenue drivers	1Q'13	2Q'13	3Q'13	4Q'13	FY'13
Δ Price/Mix	1.4%	3.6%	0.9%	2.5%	2.1%
Δ Volume	11.7%	20.6%	4.0%	-0.3%	8.7%
Δ Revenues (before exchange rate impact)	13.1%	24.2%	4.9%	2.2%	10.8%
Δ Exchange Rate	-8.2%	-6.0%	-13.6%	-8.4%	-9.2%

2014 RAW MATERIAL GUIDANCE

Breakdown FY 2013

(based on purchase cost)



37%

Raw mat. cost
on sales




Guidance November 2013

Update March 2014

Average Cost of
Goods Sold
€/Mln

	2013A	2014E	Δ yoy	2014E	Δ yoy
Natural Rubber TSR20 (\$/ton)	~2,700	~ 2,600	+20	~ 2,250	+80
Brent Oil (\$/barrell)	109	111	(-15)	110	-5
Butadiene EU (€/ton)	~ 1,300	~ 1,300	+5	~ 1,100	+25
FX (R\$, TRY, EGP, US\$)			(-130)		~(-175)
TOTAL			(120)		(75)

FY 2014 MAIN PROFITABILITY DRIVERS

Driver	Impact and Changes vs Previous Guidance (Δ yoy)	
VOLUMES	>+5% on sales	Confirmed. Stronger Europe offsets softer OE in South America
PRICE/MIX	+4%/+5% on sales (previously +3%/+4%)	 Stronger Consumer mix (Premium volumes >14%) Price slightly up in both businesses
FOREX	-9%/-10% on sales (previously -2%/-3%) -110€/mln on Ebit (previously ~ -50 €/mln)	 Assuming a cautious scenario: EUR/USD 1.36, EUR/RUB 47.6, USD/BRL 2.4, USD/VEF 11.5, USD/ARS 8.5
EFFICIENCIES	+ ~90€/mln on Ebit	Confirmed
RAW MATERIALS	-75€/mln on Ebit (previously -120€/mln)	 Increased visibility on lower raw mat prices
OTHER INPUT COSTS	~ -125€/mln on Ebit	Confirmed
D&A, START-UP COSTS, OTHERS	~ -60€/mln on Ebit	Confirmed
MINOR BUSINESSES	~ -20€/mln 2014 expected Ebit	Confirmed , including 10€/mln restructuring costs
RESTRUCTURING COSTS	~ -25€/mln on Ebit	Confirmed

2014 Expected Ebit confirmed ~850€/mln

AGENDA



FY 2013 RESULTS



TYRE BUSINESS FY 2013 OVERVIEW



2014 OUTLOOK & TARGETS



APPENDIX

PIRELLI GROUP – FY 13 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	FY'13	FY'12	FY'13	FY'12	FY'13	FY'12
SALES	6,115.8	6,031.3	30.4	40.2	6,146.2	6,071.5
EBITDA before Restr. Costs	1,130.3	1,126.5	(24.9)	(23.6)	1,105.4	1,102.9
<i>% on sales</i>	18.5%	18.7%			18.0%	18.2%
EBIT before Restr. Costs	845.4	859.9	(28.9)	(28.3)	816.5	831.6
<i>% on sales</i>	13.8%	14.3%			13.3%	13.7%
Restructuring Costs	(23.4)	(39.1)	(2.1)	0.0	(25.5)	(39.1)
EBIT	822.0	820.8	(31.0)	(28.3)	791.0	792.5
<i>% on sales</i>	13.4%	13.6%			12.9%	13.1%
Results from equity participations					(78.3)	(52.2)
Financial Income/charges					(195.8)	(150.5)
EBT					516.9	589.8
Fiscal Changes					(210.4)	(198.3)
Net Income					306.5	391.5
Attributable Net Income					303.6	387.1
Net Financial Position					1,322.4	1,205.2

PIRELLI GROUP – Q4 13 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	Q4'13	Q4'12	Q4'13	Q4'12	Q4'13	Q4'12
SALES	1,490.0	1,488.4	6.3	9.0	1,496.3	1,497.4
EBITDA before Restr. Costs	302.8	292.8	(10.8)	(7.8)	292.0	285.0
<i>% on sales</i>	<i>20.3%</i>	<i>19.7%</i>			<i>19.5%</i>	<i>19.0%</i>
EBIT before Restr. Costs	231.4	221.4	(11.8)	(8.8)	219.6	212.6
<i>% on sales</i>	<i>15.5%</i>	<i>14.9%</i>			<i>14.7%</i>	<i>14.2%</i>
Restructuring Costs	(9.2)	(20.9)	(1.1)	0.0	(10.3)	(20.9)
EBIT	222.2	200.5	(12.9)	(8.8)	209.3	191.7
<i>% on sales</i>	<i>14.9%</i>	<i>13.5%</i>			<i>14.0%</i>	<i>12.8%</i>
Results from equity participations					(55.4)	(25.8)
Financial Income/charges					(47.2)	(47.2)
EBT					106.7	118.7
Fiscal Changes					(58.3)	(30.5)
Net Income					48.4	88.2
Attributable Net Income					41.5	85.8
Net Financial Position					1,322.4	1,205.2

PIRELLI GROUP – Q3 13 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	Q3'13	Q3'12	Q3'13	Q3'12	Q3'13	Q3'12
SALES	1,511.8	1,542.6	7.0	9.7	1,518.8	1,552.3
EBITDA before Restr. Costs	284.7	272.9	(4.8)	(5.3)	279.9	267.6
<i>% on sales</i>	18.8%	17.7%			18.4%	17.2%
EBIT before Restr. Costs	214.6	205.8	(5.8)	(6.6)	208.8	199.2
<i>% on sales</i>	14.2%	13.3%			13.7%	12.8%
Restructuring Costs	(7.6)	(3.7)	(0.2)	0.0	(7.8)	(3.7)
EBIT	207.0	202.1	(6.0)	(6.6)	201.0	195.5
<i>% on sales</i>	13.7%	13.1%			13.2%	12.6%
Results from equity participations					1.4	(23.7)
Financial Income/charges					(43.9)	(45.5)
EBT					158.5	126.3
Fiscal Changes					(50.5)	(41.5)
Net Income					108.0	84.8
Attributable Net Income					110.7	85.0
Net Financial Position					1,970.9	1,868.8

PIRELLI GROUP – Q2 13 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli Tyre		Other		Pirelli & C. Cons.	
	Q2'13	Q2'12	Q2'13	Q2'12	Q2'13	Q2'12
SALES	1,587.3	1,457.7	7.5	7.6	1,594.8	1,465.3
EBITDA before Restr. Costs	282.7	277.2	(4.5)	(6.0)	278.2	271.2
<i>% on sales</i>	<i>17.8%</i>	<i>19.0%</i>			<i>17.4%</i>	<i>18.5%</i>
EBIT before Restr. Costs	210.6	212.2	(5.5)	(7.1)	205.1	205.1
<i>% on sales</i>	<i>13.3%</i>	<i>14.6%</i>			<i>12.9%</i>	<i>14.0%</i>
Restructuring Costs	(3.4)	(12.5)	(0.8)	0.0	(4.2)	(12.5)
EBIT	207.2	199.7	(6.3)	(7.1)	200.9	192.6
<i>% on sales</i>	<i>13.1%</i>	<i>13.7%</i>			<i>12.6%</i>	<i>13.1%</i>
Results from equity participations					(17.7)	(3.2)
Financial Income/charges					(46.1)	(33.5)
EBT					137.1	155.9
Fiscal Changes					(59.1)	(61.0)
Net Income					78.0	94.9
Attributable Net Income					78.5	95.0
Net Financial Position					1,732.6	1,702.7

PIRELLI GROUP – Q1 13 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli tyre		Other		Pirelli & C. Cons.	
	Q1'13	Q1'12	Q1'13	Q1'12	Q1'13	Q1'12
SALES	1,526.7	1,542.6	9.6	13.9	1,536.3	1,556.5
EBITDA before Restr. Costs	260.1	283.6	(4.8)	(4.5)	255.3	279.1
<i>% on sales</i>	<i>17.0%</i>	<i>18.4%</i>			<i>16.6%</i>	<i>17.9%</i>
EBIT before Restr. Costs	188.8	220.5	(5.8)	(5.8)	183.0	214.7
<i>% on sales</i>	<i>12.4%</i>	<i>14.3%</i>			<i>11.9%</i>	<i>13.8%</i>
Restructuring Costs	(3.2)	(2.0)	0.0	0.0	(3.2)	(2.0)
EBIT	185.6	218.5	(5.8)	(5.8)	179.8	212.7
<i>% on sales</i>	<i>12.2%</i>	<i>14.2%</i>			<i>11.7%</i>	<i>13.7%</i>
Results from equity participations					(6.6)	0.5
Financial Income/charges					(58.6)	(24.3)
EBT					114.6	188.9
Fiscal Changes					(42.5)	(65.3)
Net Income					72.1	123.6
Attributable Net Income					72.9	121.3
Net Financial Position					1,680.2	1,305.0

PIRELLI GROUP CASH FLOW

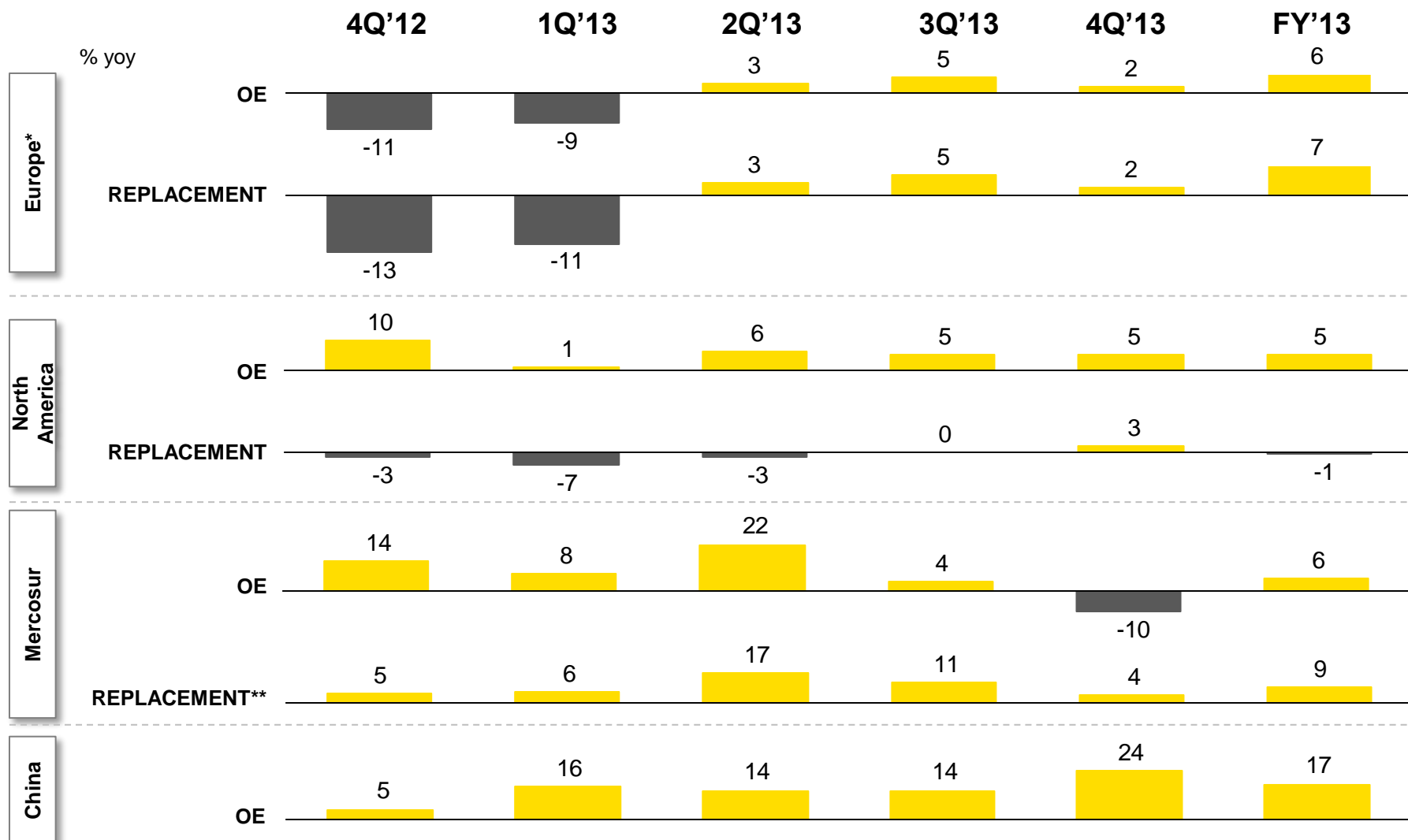
€/Mln	1Q'13	2Q'13	3Q'13	4Q'13	FY'13
EBIT before restructuring costs	183.0	205.1	208.8	219.6	816.5
Depreciation / Amortization	72.3	73.1	71.1	72.4	288.9
Net investments	(79.7)	(84.3)	(74.3)	(174.8)	(413.1)
Working capital / other variations	(492.4)	(5.6)	(160.3)	686.1	27.8
OPERATING CASH FLOW	(316.8)	188.3	45.3	803.3	720.1
Financial income (expenses)	(58.6)	(46.1)	(43.9)	(47.2)	(195.8)
Taxes	(42.5)	(59.1)	(50.5)	(58.3)	(210.4)
NET OPERATING CASH FLOW	(417.9)	83.1	(49.1)	697.8	313.9
Financial investments/divestments	-	-	(31.6)	(7.5)	(39.1)
Property divestments			26.5	-	26.5
Russian JV	-	-	-	-	
Retail development investments	-	-	(4.1)	(7.9)	(12.0)
Sino Wire Consolidation Impact	-	-	-	(39.5)	(39.5)
Other dividends paid	-	(3.1)	-	-	(3.1)
Cash-out for restructuring	(7.5)	(5.2)	(4.2)	(5.7)	(22.6)
Exchange rate differentials / Others	(49.6)	29.5	17.1	11.3	8.3
Dividends paid	-	(156.7)	-	-	(156.7)
Credit conversion / Prelios capital increase	-	-	(192.9)	-	(192.9)
NET CASH FLOW	(475.0)	(52.4)	(238.3)	648.5	(117.2)

PIRELLI BALANCE SHEET

€/Mln

	FY'12	FY'13
FIXED ASSETS	3,877.2	4,043.0
Inventories	1,102.6	987.3
Trade receivables	704.6	666.4
Trade payables	(1,268.7)	(1,244.5)
NET OPERATING WORKING CAPITAL	538.5	409.2
Other payables/receivables	11.0	3.0
Net Working Capital	549.5	412.2
NET INVESTED CAPITAL	4,426.7	4,455.2
Total Net Equity	2,389.4	2,436.6
Provisions	832.1	696.2
Net Financial Position	1,205.2	1,322.4
TOTAL	4,426.7	4,455.2
Attributable Net Equity	2,337.4	2,376.1
Equity per Share (euro)	4.79	4.87

CONSUMER BUSINESS: KEY MARKET TRENDS

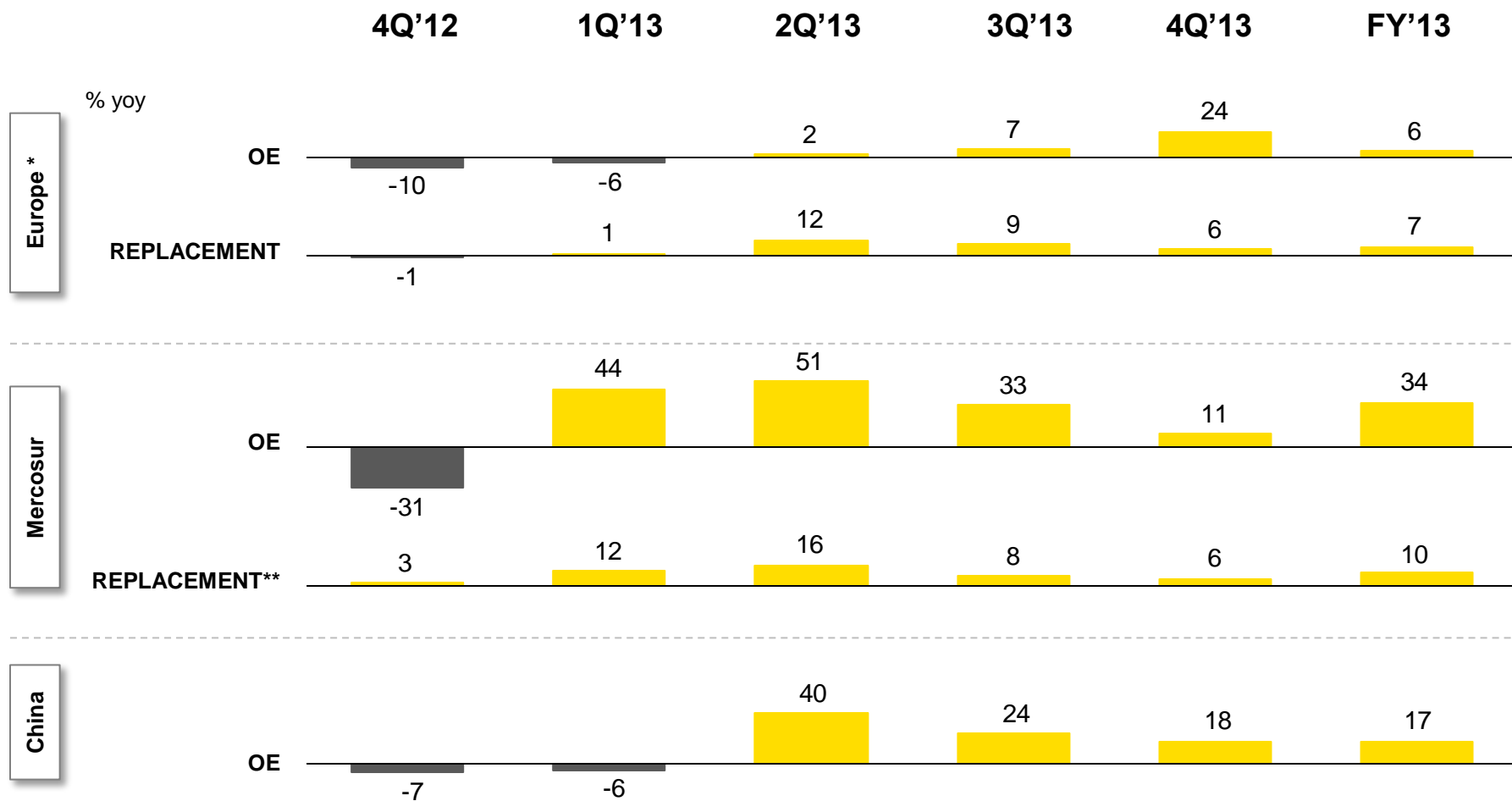


* Turkey included Russia excluded

** Mercosur Replacement data was restated to include Brazilian imports

Source: major external data providers for each Region and Pirelli estimates

INDUSTRIAL BUSINESS: KEY MARKET TRENDS



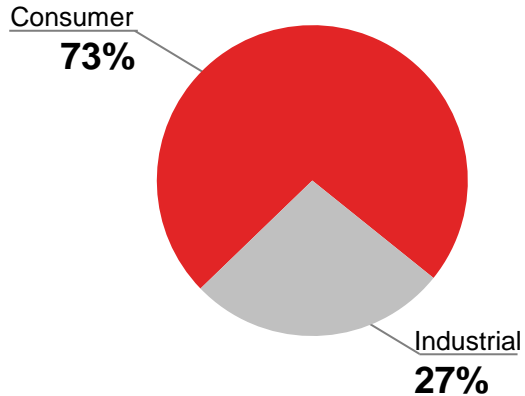
* Turkey includes and Russia excluded

** Non-pool members' imports not included

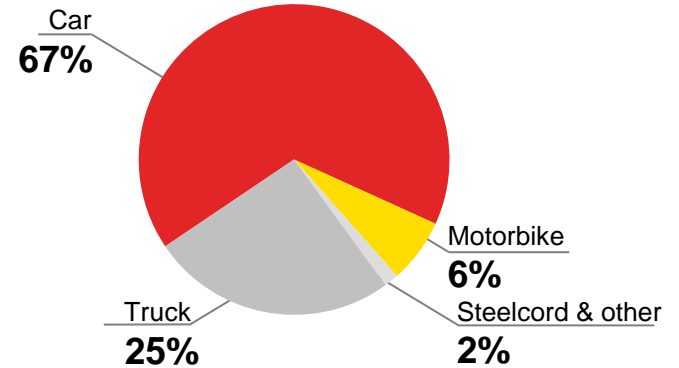
Source: major external data providers for each Region and Pirelli estimates

FY 2013 PIRELLI TYRE MIX

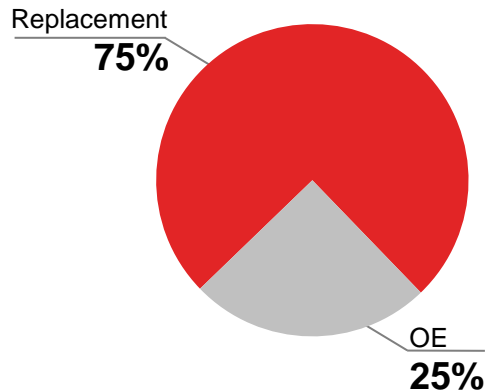
Sales by Business



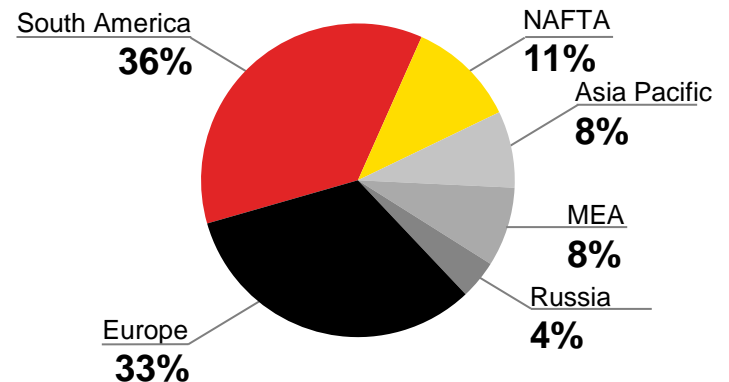
Sales by Segment



Sales by Channel

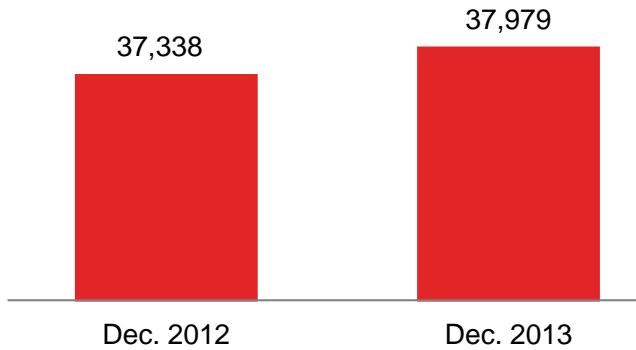


Sales by Region

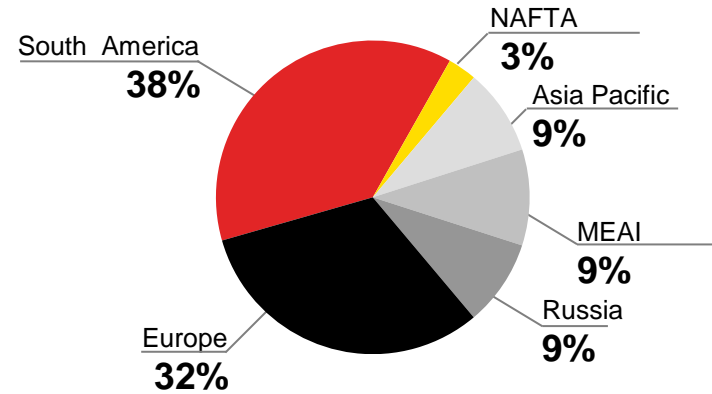


DECEMBER 2013 PIRELLI PEOPLE

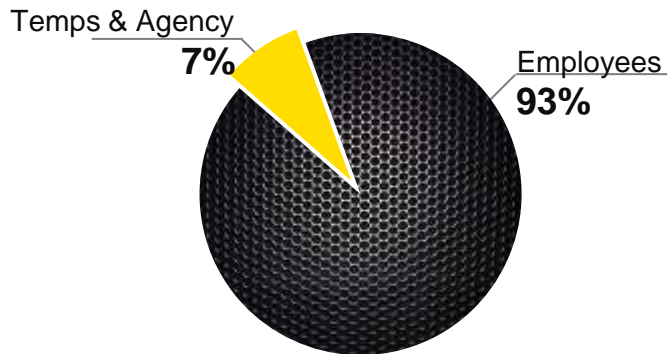
Headcount



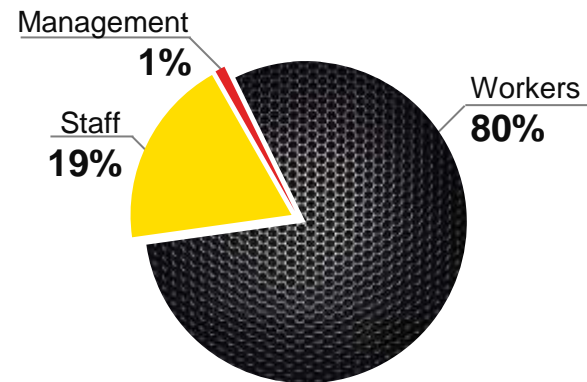
People by Region



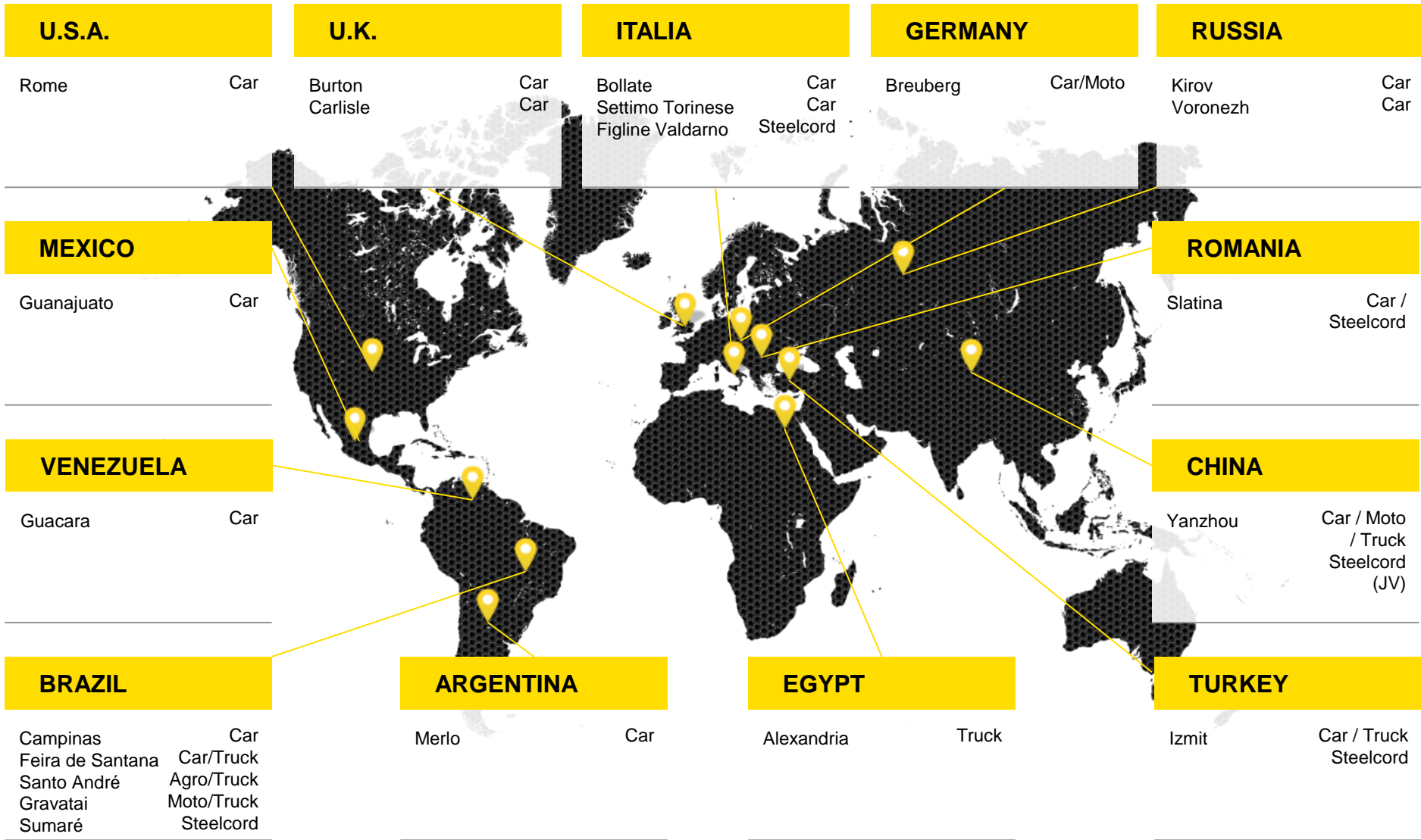
People by Contract



People by Cluster

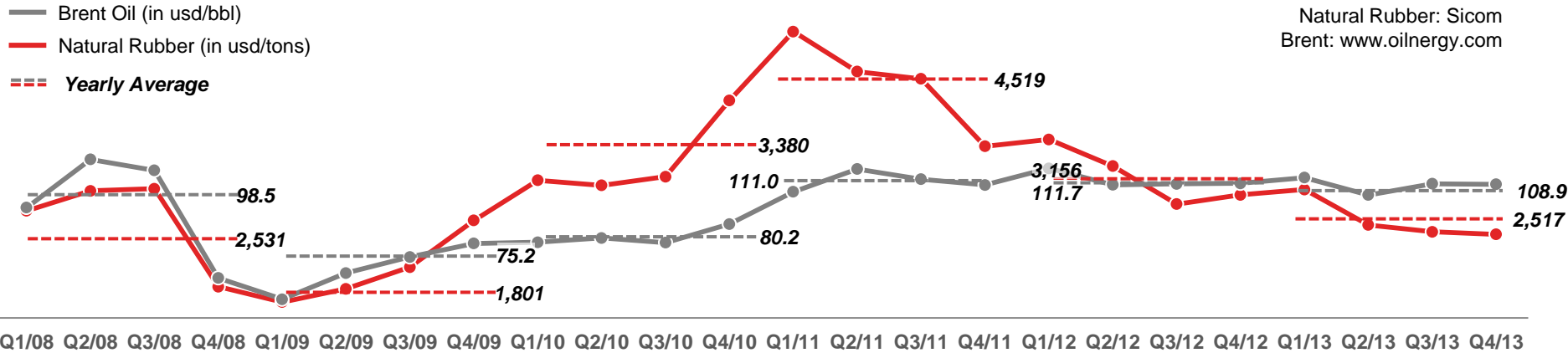


PIRELLI PLANTS IN THE WORLD



RAW MATERIALS

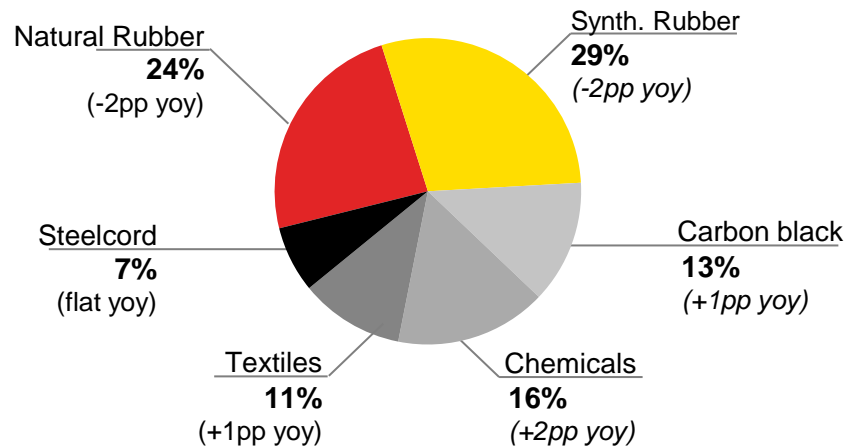
Raw Material Price Trend



FY 2013 Mix (Based on Purchasing Cost)

37%

Raw mat. costs on sales



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.

These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company.

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.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation.

Pirelli & C. SpA undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Pirelli & C. SpA business or acquisition strategy or to reflect the occurrence of unanticipated events.

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.