



# PIRELLI Q1 2013 RESULTS

MAY 7, 2013

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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

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## Q1 2013 RESULTS

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## TYRE BUSINESS Q1 2013 OVERVIEW

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## 2013 OUTLOOK & TARGETS

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## APPENDIX

# KEY MESSAGES

## Q1 2013 Performance

Our distinctive geographic footprint made us grow in a lagging global market and be best performers in the Industrial Business

In Europe, we are investing in the next upturn leveraging on Premium OE/Replacement pull-through

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## 2013 Industry Outlook

Slowdown in global tyre market growth: from  $<+3\%$  to  $<+1\%$ , totally attributable to Europe

Premium trend: 3X multiple growth versus non-Premium confirmed

Pricing based on value proposition, with short-term adjustment to raw material trend

Profitability stability and FCF remain the priorities of the sector

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## APPENDIX

# PIRELLI KEY FINANCIAL RESULTS

	Q1 13	Q1 12*	Δ YoY
€/mln			
<b>Revenues</b>	<b>1,536.3</b>	<b>1,556.5</b>	-1.3%
<i>Organic growth**</i>			3.6%
EBITDA before Restr. Costs	<b>255.3</b>	<b>279.1</b>	-8.5%
<i>Margin</i>	16.6%	17.9%	
EBIT before Restr. Costs	<b>183.0</b>	<b>214.7</b>	-14.8%
<i>Margin</i>	11.9%	13.8%	-1.9 pp
Restructuring Costs	(3.2)	(2.0)	
<b>EBIT</b>	<b>179.8</b>	<b>212.7</b>	-15.5%
<i>Margin</i>	11.7%	13.7%	-2.0 pp
<b>PBT</b>	<b>114.6</b>	<b>188.9</b>	
<i>Tax Rate</i>	37.1%	34.6%	
<b>Net Income</b>	<b>72.1</b>	<b>123.6</b>	
<b>Attributable Net Income</b>	<b>72.9</b>	<b>121.3</b>	
<b>Investments***</b>	<b>79.7</b>	<b>80.1</b>	
<b>Net Debt</b>	<b>1,680.2</b>	<b>1,305.0</b>	+475 €/mln vs FY 2012

## Results key drivers

- ▶ Favourable exposure to growing markets led to +3.6% Top Line organic growth
- ▶ Profitability trend reflects market and channel mix evolution (Premium slowdown in Europe, full contribution Russian JV), additional cost items (Settimo Torinese truck conversion into Premium car and start-up costs) and unfavourable yoy comparison base
- ▶ Net income discounts both higher financial charges (including Venezuelan Bolivar depreciation) and a higher tax rate (which will revert in the coming quarters)
- ▶ Net debt increase in line with the seasonality of working capital

(\*) IAS 19 Restated

(\*\*) Excluding exchange rate effects

(\*\*\*) Tangible and intangible investments

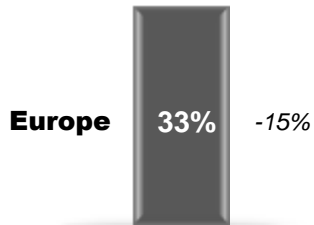
## Q1 2013 RESULTS



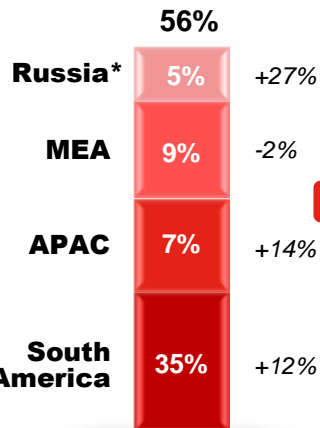
# 1Q 2013 PERFORMANCE: OUR DISTINCTIVE EXPOSURE TO GROWING MARKETS SOFTENS THE IMPACT OF A WEAK EUROPE

## Tyre Sales

€/mln **1,526.7** -1.0% yoy

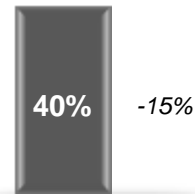


**NAFTA** 11% -4.5%

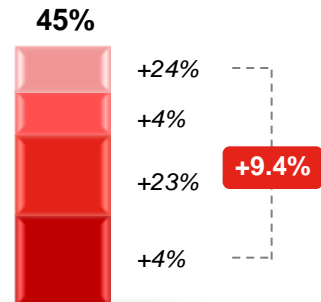


## Consumer Sales

**1,116.7** -3.0% yoy

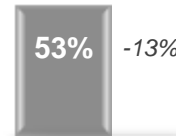


**15%** -1%

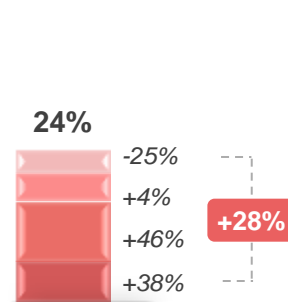


## o/w Premium

**548.1** -2.8% yoy



**23%** flat

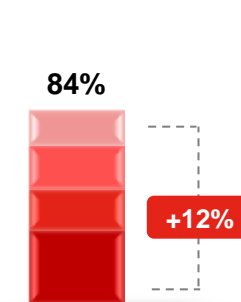


## Industrial Sales

**410** +4.9% yoy



**2%** n.m.



## Tyre Ebit Margin

**12.2%** (-2.0pp)

**Europe** High single-digit (decreasing yoy)

**NAFTA** Mid-teen (improving yoy)

**Russia\*** Low single-digit (improving yoy)

**MEA** High-teen (improving yoy)

**APAC** Mid-teen (stable yoy)

**South America** Mid-teen (stable yoy)

\*Import sales included

**Q1 2013 RESULTS**



# RUSSIA PROJECT UPDATE

## Product and OE Strategy

**New winter studded product lines specifically engineered for Nordic markets**

- ▶ **Pirelli Ice Zero** Car + Suv 16" – 21"
- ▶ **Formula Ice** "Powered by Pirelli" Car 13" – 17"
- ▶ **Projects ongoing with**



- ▶ **Selective local OEMs** to maximize industrial efficiencies

## Distribution

**Increasing our pervasiveness**

- ▶ **950 retail** store presence
- ▶ **550** qualified **Premium stores**
- ▶ **Retail shelf presence** doubled vs 1Q12 thanks to enlarged audits & monitoring
- ▶ **Improved** effectiveness of **logistic network** with Voronezh hub fully operational

## Marketing

**Further strengthening Brand awareness**

- ▶ **New advertising campaign** now on air, **~2 €/mln investment** (80% on TV)
- ▶ **New Ice Zero launch** on Polar Artic Circle, and trade event in Voronezh
- ▶ **Rosneft** partnership in communication and trade presence
- ▶ **E-learning program** launched for Premium trade partner

## Industrial

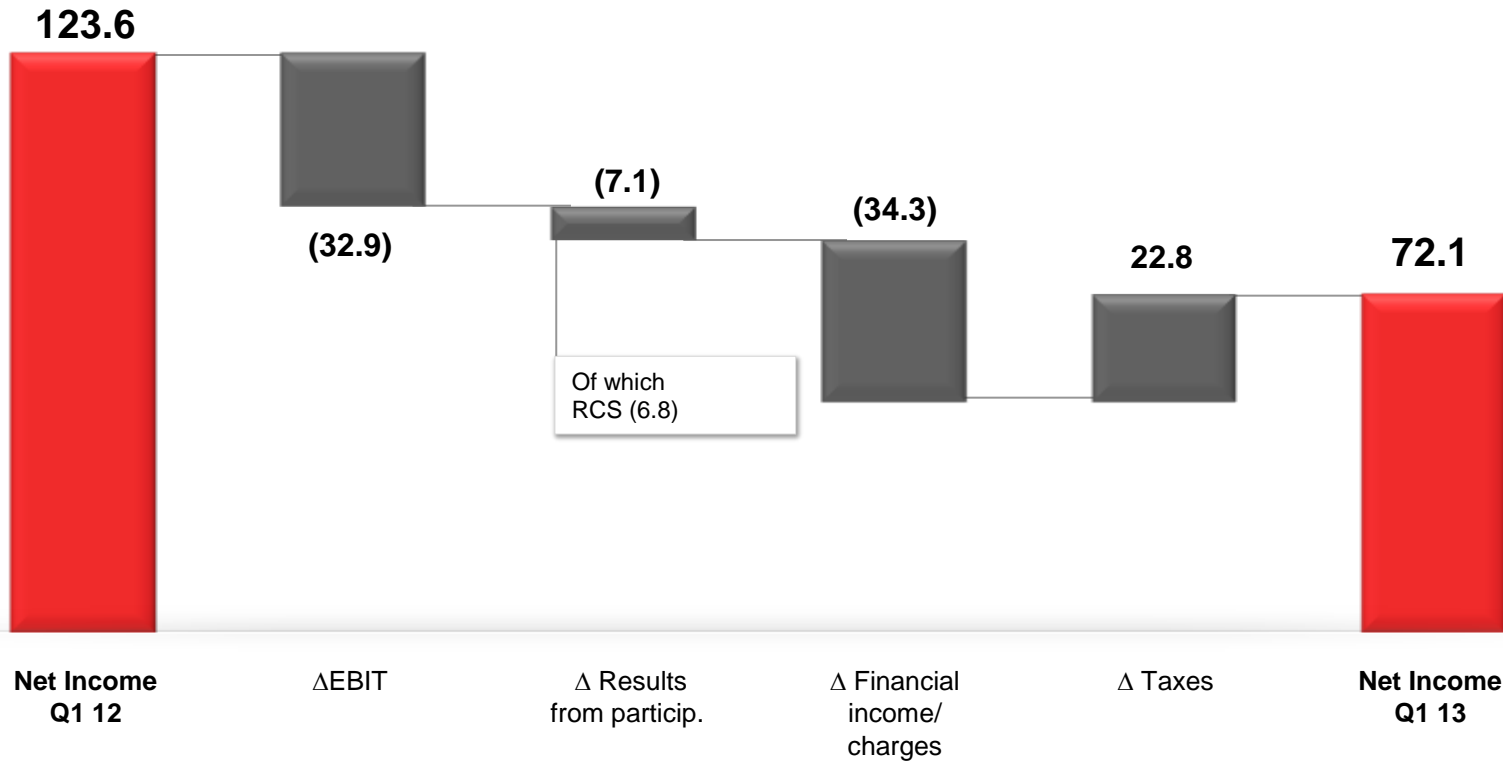
**Investment plan in line with schedule**

- ▶ **Capex 2013: 50 mln Euro**, 30% already invested, new mixing rooms fully operational
- ▶ **Output 1Q +17% vs. PY**, with Pirelli and Formula growing 6.5 times vs. last year
- ▶ Forecasted **~100 new industrialization projects** (tripled vs. 2012) with focus on new Voronezh plant
- ▶ **~100,000 hours of training** in Q1 only (multiple skills development, new equipment, quality)



# PIRELLI NET INCOME Q1 13 VS Q1 12

€/mln



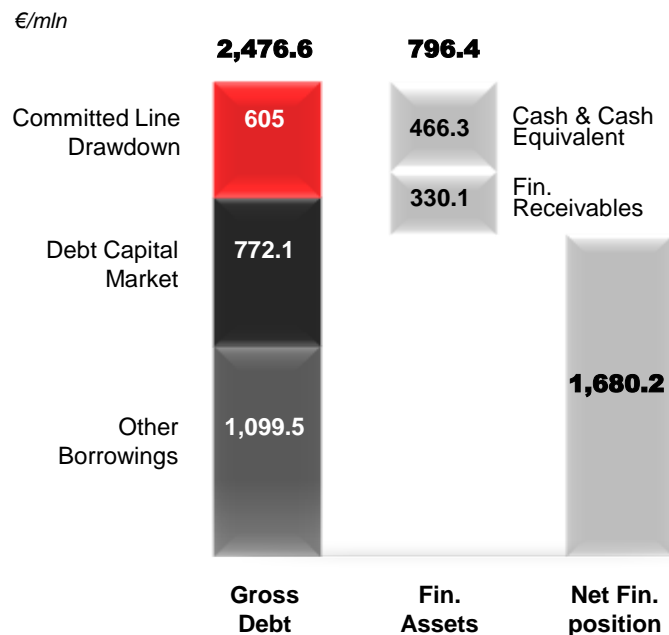
\* Before deferred tax assets (positive impact)

## Q1 2013 RESULTS



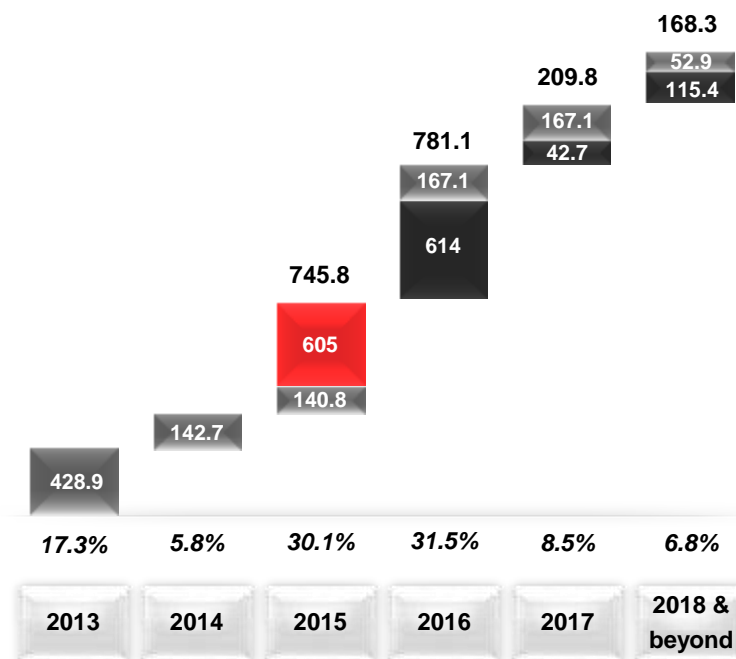
# PIRELLI DEBT STRUCTURE AS OF MARCH 31, 2013

## Net Financial Position



Gross Debt maturity as of Mar. 31 2013

## Gross Debt Maturity



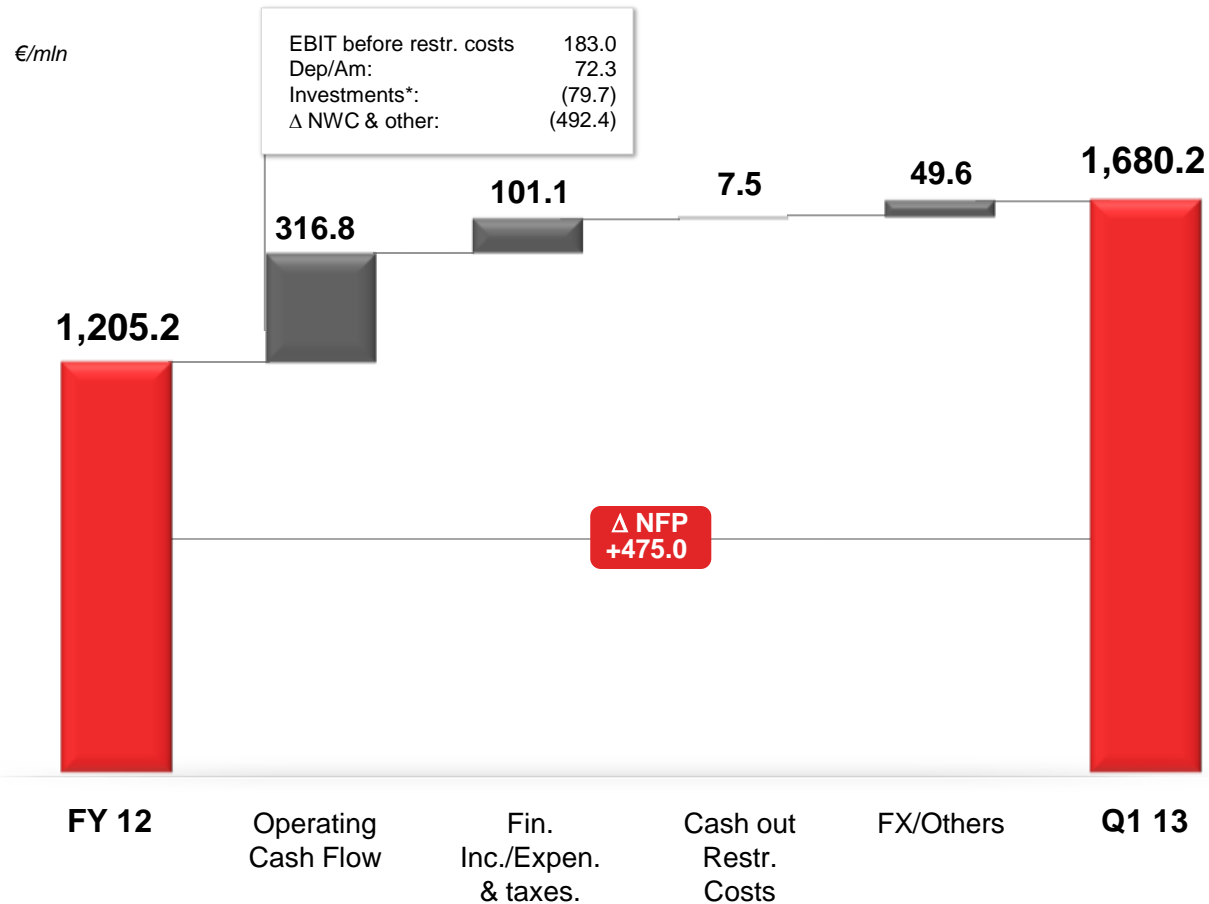
### LIQUIDITY PROFILE

€/mln	
Liquidity position	466.3
Total committed lines not drawn due 2015	595.0
Liquidity Margin	1,061.3

### DEBT PROFILE

- ▶ > 75% of the debt maturity beyond 2014
- ▶ Cost of debt ~ 6.50%
- ▶ Gross debt profile ~75% Fixed and ~25% Floating
- ▶ Average debt maturity: ~ 2.8 years

# PIRELLI Q1 13 NET FINANCIAL POSITION



## NWC dynamics

Δ Operating Working Capital:	+492
Inventories:	+26
Receivables:	+319
Payables:	+141
Others:	+6

(\*)Tangible and intangible investments

**Q1 2013 RESULTS**

# AGENDA

**KEY MESSAGES**

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**Q1 2013 RESULTS**

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**TYRE BUSINESS Q1 2013 OVERVIEW**

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**2013 OUTLOOK & TARGETS**

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**APPENDIX**

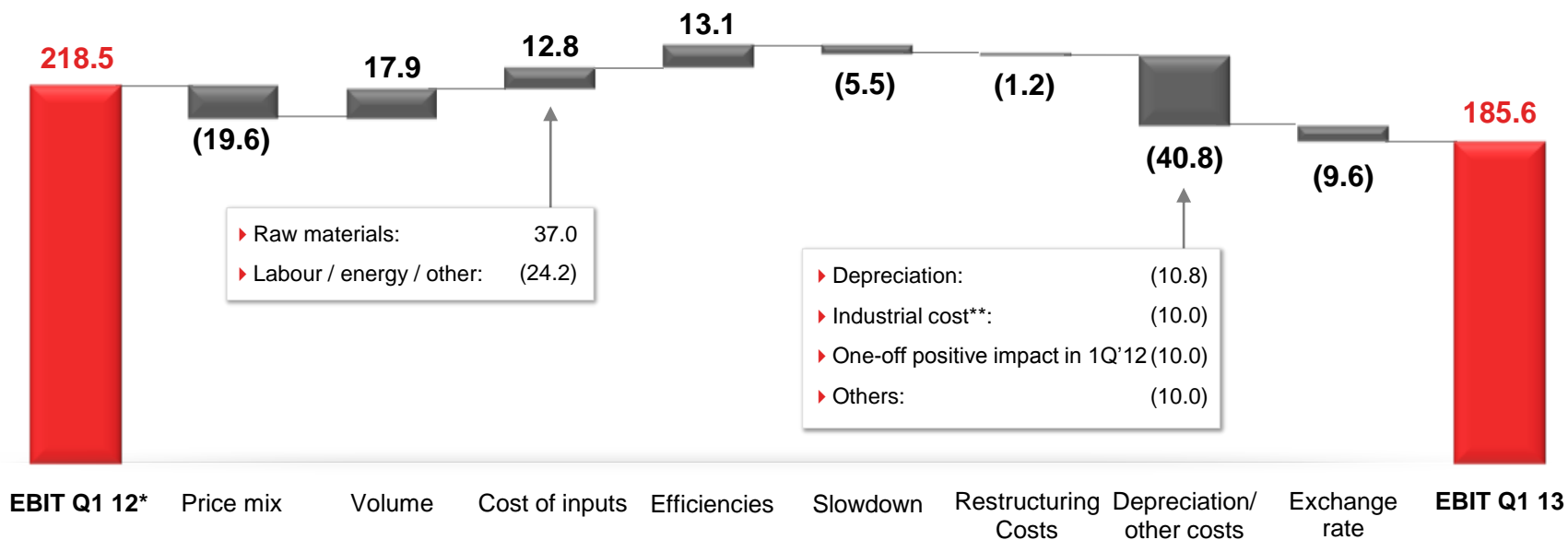
# KEY TYRE RESULTS

€/mln	1Q'12 YoY% (Restated IAS 19)	1Q'13 YoY%	Q1 Highlights	
	<b>Revenues</b>	1,542.6	1,526.7	-1.0%
<b>EBITDA</b> (before restruct. costs)	283.6	260.1	-8.3%	
<i>margin</i>	18.4%	17.0%	-1.4p.p.	▶ Profitability reflects higher industrial and start-up costs, impact of channel and country mix and higher depreciation
<b>EBIT</b> (before restruct. costs)	220.5	188.8	-14.4%	
<i>margin</i>	14.3%	12.4%	-1.9p.p.	
Restructuring Costs	(2.0)	(3.2)		
<b>EBIT</b>	218.5	185.6	-15.1%	
<i>margin</i>	14.2%	12.2%	-2.0 p.p.	

	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13
<b>Revenue drivers</b>					
Δ <b>Price/Mix</b>	+16.5%	+11.1%	+8.6%	+5.4%	0%
Δ <b>Perimeter*</b>	+2.2%	+3.5%	+4.1%	+6.6%	
Δ <b>Volume</b>	-7.4%	-7.6%	-6.2%	-1.8%	+3.9%
o/w Premium	+15.8%	+12.3%	+12.5%	+11.1%	+4.0%
Δ <b>Rev.</b> (before exchange rate impact)	<b>+11.3%</b>	<b>+7.0%</b>	<b>+6.5%</b>	<b>+10.2%</b>	<b>+3.9%</b>
Δ <b>Exchange Rate</b>	+0.1%	-1.1%	-1.2%	-2.0%	-4.9%

\* Russian JV and retail acquisitions

# PIRELLI TYRE Q1 13 OPERATING PERFORMANCE



(\*) IAS 19 Restated

(\*\*) Settimo truck plant conversion, ramp-up costs in Mexico and Russia



# CONSUMER BUSINESS: PIRELLI PERFORMANCE

€/mln	1Q'12	1Q'13		Results key drivers
	(Restated IAS 19)		YoY%	
<b>Revenues</b>	1,151.8	1,116.7	-3.0%	▶ Slight revenue increase before the impact of Foreign Exchange
<b>EBITDA</b> (before restruct. costs)	235.4	194.8	-17.2%	▶ Widening volume performance gap among markets: -13% in Mature markets, +16% in Emerging Markets, of which +42% Premium
margin	20.4%	17.4%	-3.0p.p.	
<b>EBIT</b> (before restruct. costs)	187.3	138.0	-26.3%	▶ Full contribution of Russian JV, worth +3% on total volumes
margin	16.3%	12.4%	-3.9 p.p.	
<b>EBIT</b>	185.4	136.0	-26.6%	▶ Price/mix trend discounts lower Premium growth, given high exposure to the difficult European market, increasing OE weight mainly in LatAm & APAC and full contribution from Russian JV
margin	16.1%	12.2%	-3.9p.p.	
				▶ Profitability affected by lower price/mix and higher industrial and start-up costs

	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13
<b>Revenue drivers</b>					
Δ Price/Mix	+18.8%	+13.6%	+9.6%	+6.4%	-0.5%
Δ Volume	-5.1%	-5.3%	-6.1%	-4.0%	+1.2%
o/w Premium	+15.8%	+12.3%	+12.5%	+11.1%	+4.0%
o/w Non Premium	-14.5%	-11.5%	-13.4%	-10.0%	-0.1%
Δ Perimeter*	+2.7%	+4.4%	+5.9%	+9.5%	-
Δ Rev. (before exchange rate impact)	<b>+16.4%</b>	<b>+12.7%</b>	<b>+9.4%</b>	<b>+11.9%</b>	<b>+0.7%</b>
Δ Exchange Rate	+0.7%	-0.2%	-0.4%	0.0%	-3.7%

\* Russian JV and retail acquisitions

# INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

€/mln	1Q'12	YoY%		1Q'13	YoY%		Results key drivers
	(Restated IAS 19)						
<b>Revenues</b>	390.8			410.0	+4.9%		▶ Industry leading performance thanks to exposure to growing markets
<b>EBITDA</b> (before restruct. costs)	48.2			65.3	+35.5%		▶ Record volume growth (+12%) with market share gains in Latin America Truck and Agro Tyres
<i>margin</i>	12.3%			15.9%	+3.6 p.p.		
<b>EBIT</b> (before restruct. costs)	33.2			50.8	+53.0%		▶ Solid price/mix development linked to success of new product lines/fleet solutions and low pricing pressures in key reference markets
<i>margin</i>	8.5%			12.4%	+3.9p.p.		
<b>EBIT</b> (after restruct. costs)	33.1			49.6	+49.8%		▶ Ebit benefits from 100% capacity localization in low-cost countries and lower raw material cost
<i>margin</i>	8.5%			12.1%	+3.6p.p.		

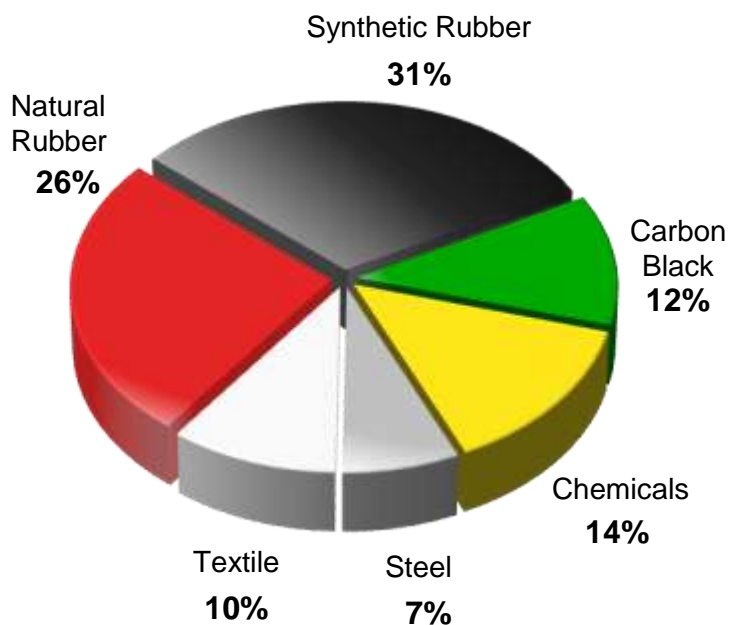
	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13
<b>Revenue drivers</b>					
<b>Δ Price/Mix</b>	+11.2%	+5.3%	+6.0%	+2.9%	+1.4%
<b>Δ Volume</b>	-12.3%	-11.3%	-6.2%	+3.1%	+11.7%
<b>Δ Rev.</b> (before exchange rate impact)	-1.1%	-6.0%	-0.2%	+6.0%	+13.1%
<b>Δ Exchange Rate</b>	-1.5%	-3.1%	-3.1%	-6.3%	-8.2%



# 2013 RAW MATERIALS GUIDANCE

## BREAKDOWN FY 2012

(based on purchase cost)



Guidance  
March 2013

Update  
May 2013

Average Cost of Goods Sold €/mln	2012A	2013	Δ yoy (2013 vs 2012)	2013	Δ yoy (2013 vs 2012)
<b>Natural Rubber</b> <i>TSR20 (\$/ton)</i>	3,450	~3,000	~+100	~2,800	+132
<b>Brent Oil</b> <i>(\$/barrell)</i>	111	~110	+5	Confirmed	+5
<b>Butadiene EU</b> <i>(€/ton)</i>	1,868	~1,850	+10	~1,700	+33
<b>FX (R\$, TRY, EGP, US\$)</b>			~(60)	Confirmed	~(60)
<b>TOTAL</b>			~+55		~+110

# AGENDA

**KEY MESSAGES**

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**Q1 2013 RESULTS**

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**TYRE BUSINESS Q1 2013 OVERVIEW**

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**2013 OUTLOOK & TARGETS**

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**APPENDIX**

# 2013 OUTLOOK BY REGION (CAR)

		Old Guidance		New Guidance		
Region	Tyre market	Revenue trend	EBIT%	Revenue trend	EBIT%	
(Total Tyre Car Market in Mln pcs)						
Mature	<b>Europe</b> Total: <b>314</b> Premium % weight: Mid-twenties	▶ <b>Mid single-digit decline</b> , Premium resilient (flat to +2%) and growing price pressure	▶ Basically stable	▶ Double-digit (stable YoY)	<b>Slight reduction</b>	<b>High single-digit (lower yoy)</b> ▼
	<b>NAFTA</b> Total: 330 Premium % weight: Low-teens	▶ Slow growth after a challenging 2012, Premium on a faster track (+6%)	▶ Low single- digit growth	▶ Mid-teens (stable YoY)	<i>Confirmed</i>	Mid-teens <b>(improving yoy)</b> ▲
Emerging	<b>Russia</b> Total: <b>63</b> Premium % weight: Double digit	▶ <b>Stable yoy</b> , Premium outpacing the market (+16%)	▶ Double-digit growth (>+25%)	▶ Mid-single-digit (up YoY)	<i>Confirmed</i>	<i>Confirmed</i>
	<b>South America</b> Total: 85 Premium % weight: double digit	▶ Positive trend, strong Premium growth ( <b>+25%</b> )	▶ Mid-single-digit growth	▶ Mid-teens (stable YoY)	<b>High single-digit growth</b>	<i>Confirmed</i> ▲
	<b>MEAI</b> Total: 93 Premium % weight: High single-digit	▶ All regional markets showing positive outlooks for 2013 (Premium <b>+15%</b> )	▶ Basically stable	▶ High teens (up YoY)	<i>Confirmed</i>	<i>Confirmed</i>
	<b>Asia Pacific</b> Total: 438 Premium % weight: High single-digit	▶ Same growth vs. 2012, stronger Premium increase <b>(+15%)</b>	▶ Mid-single-digit growth	▶ High teens (up YoY)	<b>High single-digit growth</b>	<i>Confirmed</i> ▲

Source: Local Pools, Pirelli estimate



# PIRELLI 2013 TARGETS CONFIRMED

**Softer European profitability offset by higher raw material tailwind and improvement in LatAm, APAC and NAFTA**

€/bln

	2013 Targets March '13	Δ YoY	2013 Targets update
<b>Revenues</b>	<b>~ 6.3 / &lt;6.4</b>	+4% / +5%	<b>Confirmed</b>
Volumes	~ +3% / ~ +4%		<b>Confirmed:</b> high end of range more likely
Emerging markets	High single-digit		Upside more likely
Mature markets	~ flat		Europe probably weaker
Premium	~13% / ~14%		<b>Confirmed</b>
Price/mix	+4% / +5%		<b>Confirmed:</b> low end of range more likely
Foreign Exchange	~ -4%		<b>Confirmed</b>
Raw Materials impact	+55€/mln		<b>110€/mln</b>
<b>EBIT</b>	<b>~810 / ~850 €/mln</b>		<b>Confirmed</b>
o/w Europe	Double digit margin		<b>High single-digit margin</b>
<b>Capex</b>	<b>~400 €/mln</b>		<b>Confirmed</b>
Net cash flow before dividends	>200 €/mln Before Prelios impact		<b>Confirmed</b>
<b>NFP</b>	<b>&lt; 1.2 before reconfiguration of Prelios Credit Impact</b>		<b>Confirmed</b>

# 2013 CONSUMER & INDUSTRIAL TARGETS

## Consumer business

## Industrial business

2013 Targets  
March '13

2013 Targets  
update

2013 Targets  
March '13

2013 Targets  
update

€/bn

Revenues	~ 4.6	Confirmed
Volumes	+3% / +4%	Confirmed
o/w Premium	~ +13% / ~ +14%	Confirmed
Price/mix	+4.5% / +5.5%	Low end of range more likely
Forex	< -3%	Confirmed
EBIT %	>14%	<14%

Revenues	~ 1.7	Confirmed
Volumes	+3.5% / +4.5%	High end of range more likely
Price/mix	+4% / +5%	Confirmed
Forex	-5%	Confirmed
EBIT %	~12%	>12%

# AGENDA

**KEY MESSAGES**

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**2013 OUTLOOK & TARGETS**

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**APPENDIX**

# 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
€/mln						
<b>Sales</b>	<b>1,526.7</b>	<b>1,542.6</b>	<b>9.6</b>	<b>13.9</b>	<b>1,536.3</b>	<b>1,556.5</b>
<b>EBITDA before Restruct. Costs</b>	<b>260.1</b>	<b>283.6</b>	<b>(4.8)</b>	<b>(4.5)</b>	<b>255.3</b>	<b>279.1</b>
<i>% on sales</i>	<i>17.0%</i>	<i>18.4%</i>			<i>16.6%</i>	<i>17.9%</i>
<b>EBIT before Restruct. Costs</b>	<b>188.8</b>	<b>220.5</b>	<b>(5.8)</b>	<b>(5.8)</b>	<b>183.0</b>	<b>214.7</b>
<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)
<b>EBIT</b>	<b>185.6</b>	<b>218.5</b>	<b>(5.8)</b>	<b>(5.8)</b>	<b>179.8</b>	<b>212.7</b>
<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)
<b>EBT</b>					<b>114.6</b>	<b>188.9</b>
Fiscal Charges					(42.5)	(65.3)
Net Income					72.1	123.6
<b>Attributable Net Income</b>					<b>72.9</b>	<b>121.3</b>
<b>Net Financial Position</b>					<b>1,680.2</b>	<b>1,305.0</b>

# PIRELLI BALANCE SHEET

	1Q13	FY12
€/mln		
<b>Fixed Assets</b>	3,892.9	3,877.2
Inventories	1,129.0	1,102.6
Trade receivables	1,023.6	704.6
Trade payables	(1,127.4)	(1,268.7)
<b>Net Operating Working Capital</b>	<b>1,025.2</b>	<b>538.5</b>
Other payables/receivables	34.9	11.0
Net Working Capital	1,060.1	549.5
<b>Net Invested Capital</b>	<b>4,953.0</b>	<b>4,426.7</b>
Total Net Equity	2,449.9	2,389.4
Provisions	822.9	832.1
Net Financial Position	1,680.2	1,205.2
<b>Total</b>	<b>4,953.0</b>	<b>4,426.7</b>
Attributable Net Equity	2,399.3	2,337.4
Equity per Share (euro)	4.917	4.790

% Net Invested Capital		
	1Q13	FY12
<b>Pirelli Tyre</b>	95,0%	93.7%
<b>Other</b>	5,0%	6.3%



# PIRELLI GROUP CASH FLOW

€/mln	1Q'12	2Q'12	3Q'12	4Q'12	Q1'13
EBIT before restructuring costs	214.7	205.1	199.1	212.7	183.0
Depreciation	64.4	66.1	68.4	72.4	72.3
Net investments	(80.1)	(114.8)	(132.5)	(143.5)	(79.7)
Working capital/other variations	(511.1)	(237.2)	(197.2)	594.6	(492.4)
<b>OPERATING CASH FLOW</b>	<b>(312.1)</b>	<b>(80.8)</b>	<b>(62.2)</b>	<b>736.2</b>	<b>(316.8)</b>
Financial income (expenses)	(24.3)	(33.6)	(45.4)	(47.2)	(58.6)
Taxes	(65.3)	(61.0)	(41.5)	(30.5)	(42.5)
<b>NET OPERATING CASH FLOW</b>	<b>(401.7)</b>	<b>(175.4)</b>	<b>(149.1)</b>	<b>658.5</b>	<b>(417.9)</b>
Financial investments/divestments	3.2	-	2.3	-	-
Russian JV	(154.5)	-	(16.4)	-	-
Däckia	-	(70.8)	-	-	-
Campneus	-	(35.4)	-	-	-
Property divestments	-	-	-	20.5	-
Dividends paid	(2.2)	(133.0)	-	-	-
Cash-out for restructuring	(4.2)	(3.3)	(3.6)	(12.4)	(7.5)
Exchange rate differentials/Others	(8.5)	20.2	0.7	(3.0)	(49.6)
<b>NET CASH FLOW</b>	<b>(567.9)</b>	<b>(397.7)</b>	<b>(166.1)</b>	<b>663.6</b>	<b>(475.0)</b>

# 2013 MAIN PROFITABILITY DRIVERS – Q1 UPDATE

Driver	Impact	Highlights
Volumes	+3% / +4% revenue growth <b>(high end of range more likely)</b>	▶ Growth to come from Emerging Markets
Price/Mix	+4% / +5% revenue growth <b>(low end of range more likely)</b>	▶ Price ~ flat, mix improvement our internal lever
Forex translation impact	-40 €/mln impact on Ebit	▶ Weaker South American currencies , Egyptian and British Pound
Efficiency	+70 €/mln	▶ Reaping the benefits of the programs started in 2012
Raw Materials	<b>110 €/mln tailwind</b> (previous guidance 55€/mln)	▶ Assuming an increase from current spot prices
Other input costs	-120 €/mln impact on Ebit	▶ Coherent with inflation trends
Marketing and commercial costs	-40 €/mln impact on Ebit	▶ Investment in Premium growth and increased proximity to end users
Industrial costs	-25 €/mln impact on Ebit	▶ Settimo Torinese truck plant transition into Premium production; start-up costs in Indonesia, ramp-up costs in Mexico, Russia
Depreciation & other	-60€/mln impact on Ebit	▶ As per our investment-intensive phase of 2011-2012

**Ebit 2013 expected between 810 and 850 €/mln**

Further efficiency on SG&A and prioritization of marketing investments allow for flexibility should market conditions deteriorate

# 2013 CASH FLOW GENERATION

Starting to reap the benefits of our past investments

## Net Cash Flow Before dividends

2012

**-59 €/mIn**  
before Russia, Däckia  
and Campneus  
acquisitions

2013

**> 200 €/mIn**  
before Prelios  
impact

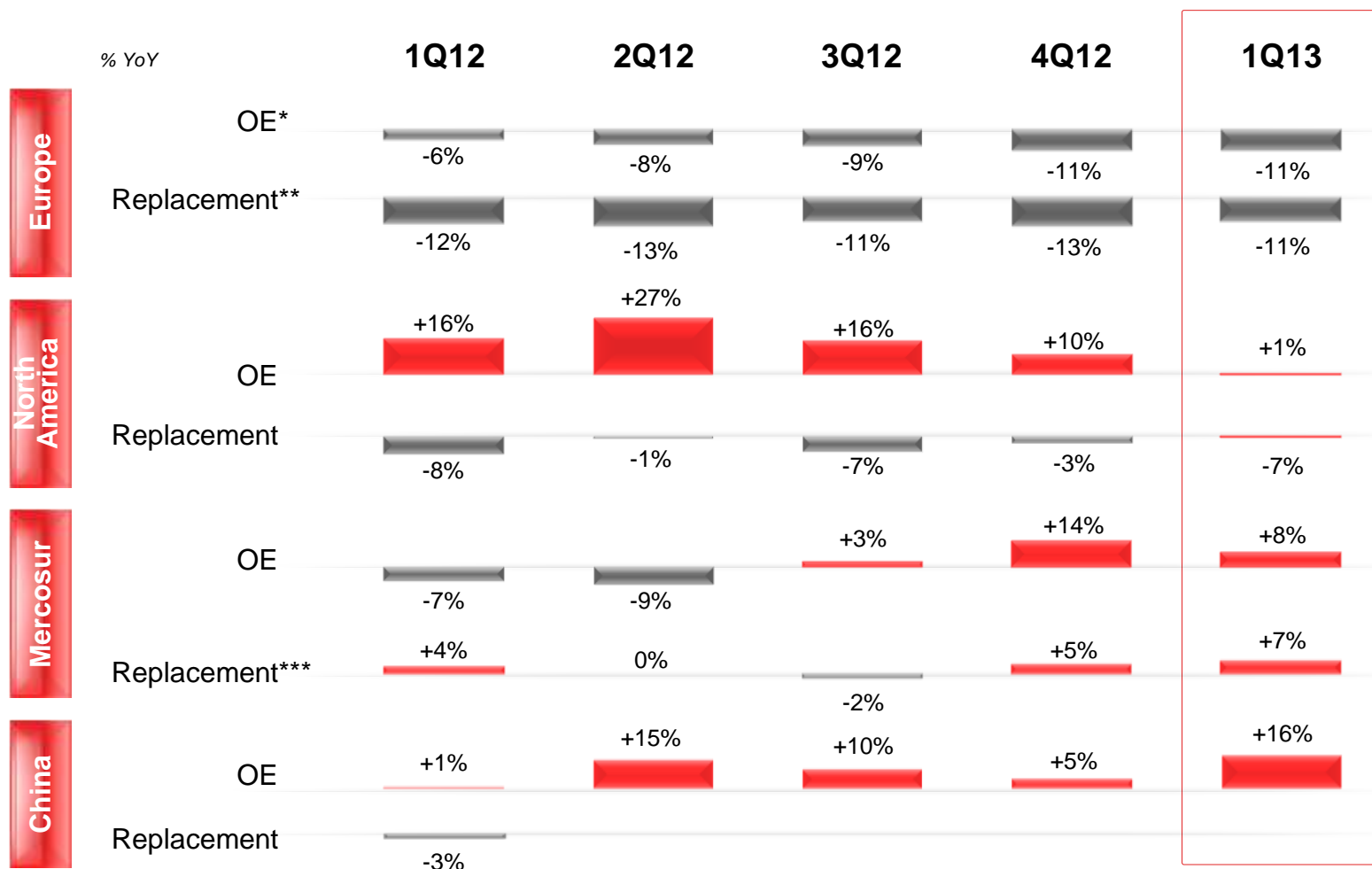
### MAIN DRIVERS

▶ EBITDA* YoY IMPROVEMENTS:	+70 ÷ 110 €/mIn
▶ CAPEX	~400 €/mIn
▶ OPERATING WORKING CAPITAL / SALES	≤ 10%
▶ CONTRIBUTION TO PENSION FUNDS	~40 €/mIn (stable YoY)
▶ FOREIGN EXCHANGE IMPACT	-40 / -50 €/mIn
▶ RESTRUCTURING COSTS	-30€/mIn
▶ TAX RATE	35%
▶ COST OF DEBT	~6.3% ←

In line with 2012-2014 Industrial Plan due to exposure of Debt to currencies with higher interest rates than Euro.

\* Before restructuring costs

# CONSUMER BUSINESS: KEY MARKET TRENDS



(\*)Turkey and Russia included

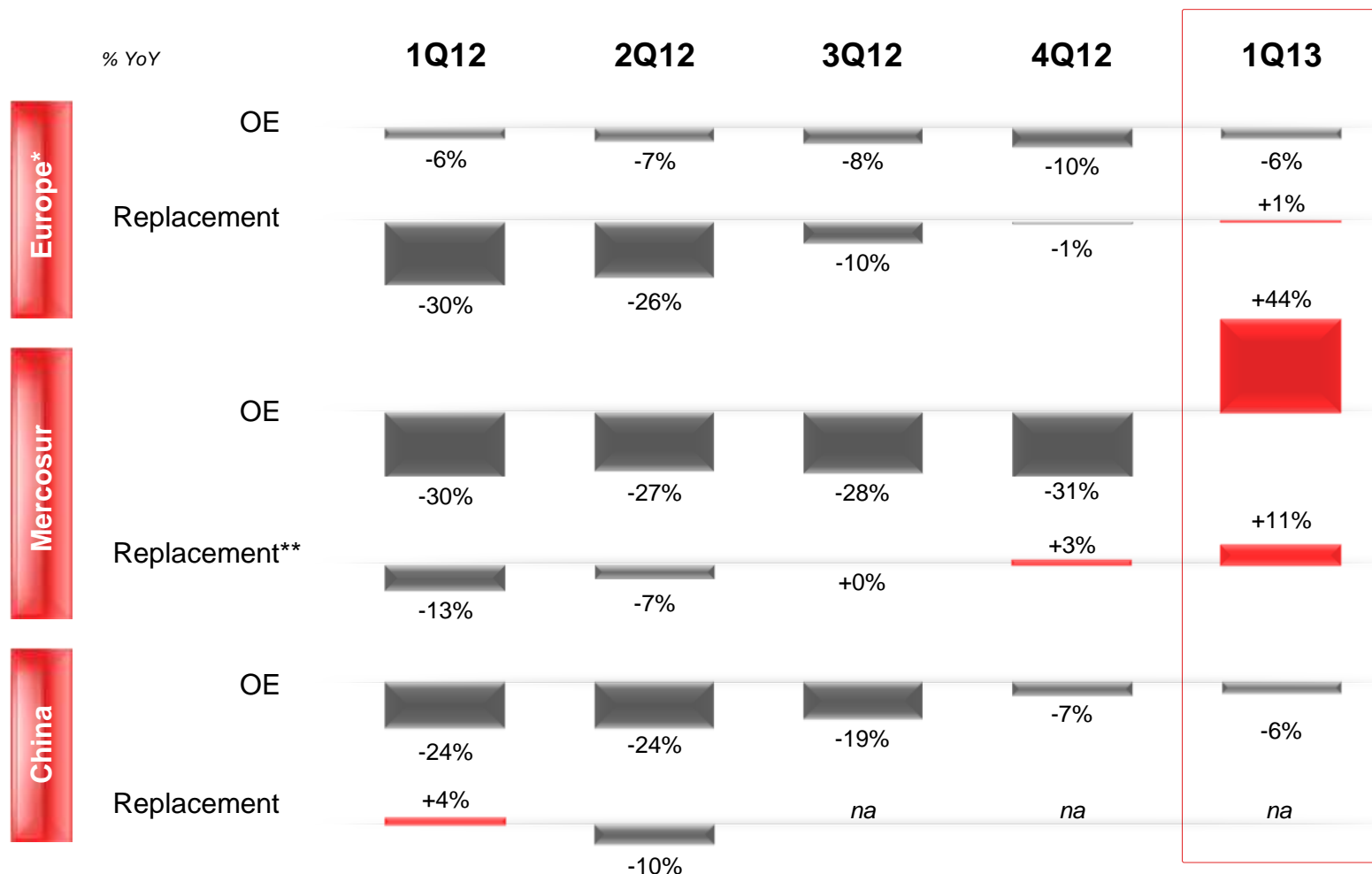
(\*\*)Turkey included

(\*\*\*)Mercosur Replacement data was restated to include Brazilian imports

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

## Q1 2013 RESULTS

# INDUSTRIAL BUSINESS: KEY MARKET TRENDS



(\*)Turkey included and Russia excluded

(\*\*)Non-pool members'imports not included

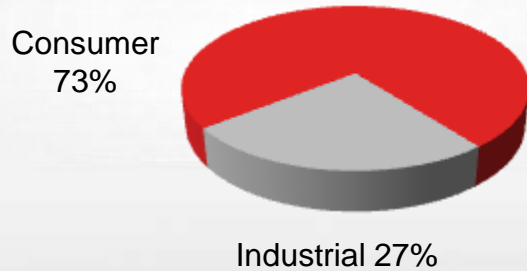
Source: major external data provider for each Region and Pirelli estimates

## Q1 2013 RESULTS

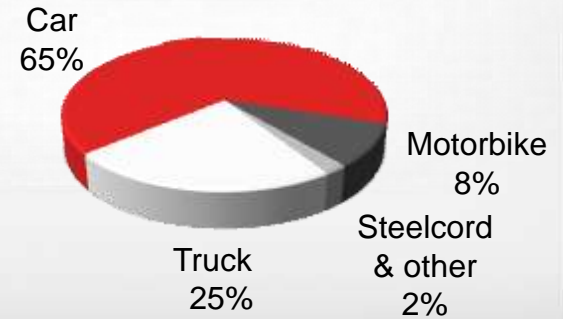


# Q1 13 PIRELLI TYRE MIX

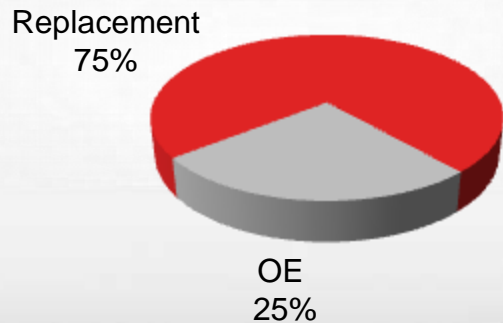
## SALES BY BUSINESS



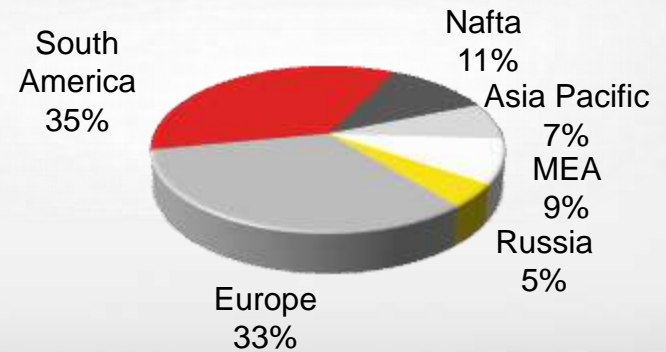
## SALES BY SEGMENT



## SALES BY CHANNEL

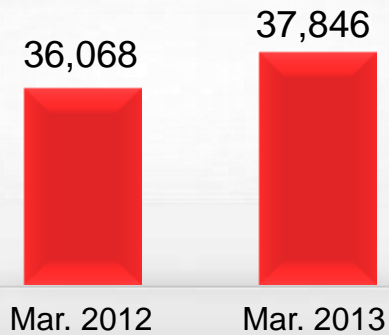


## SALES BY REGION

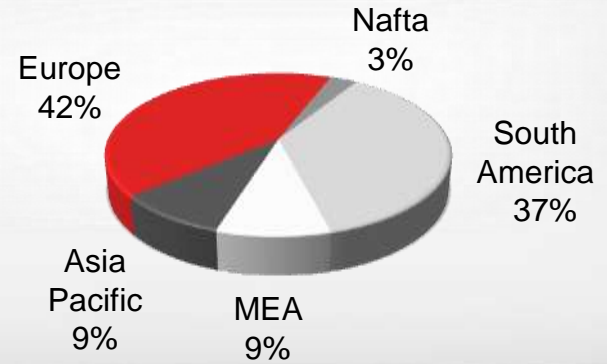


# MARCH 2013 PIRELLI PEOPLE

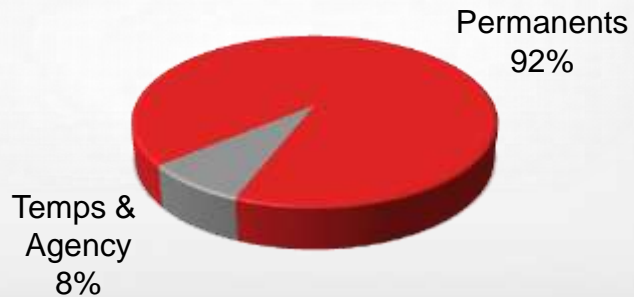
## HEADCOUNT



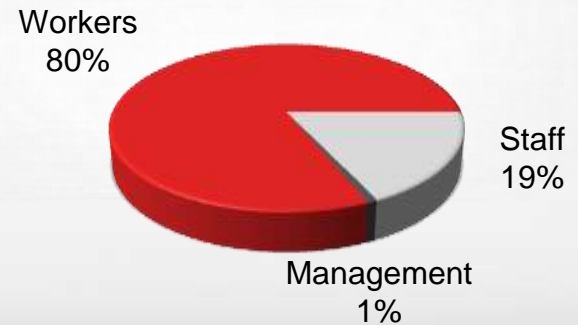
## PEOPLE BY REGION



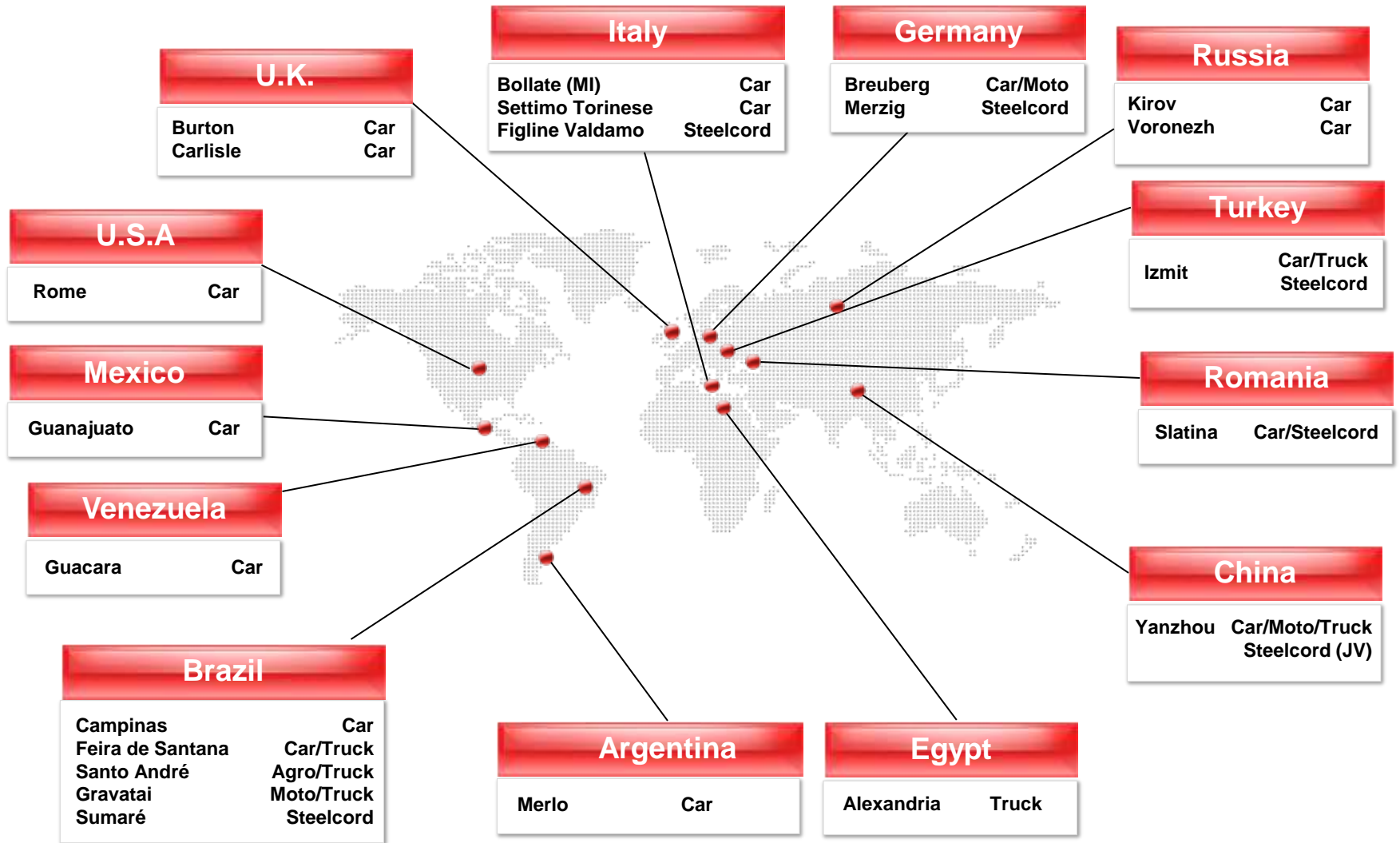
## PEOPLE BY CONTRACT



## PEOPLE BY CLUSTER



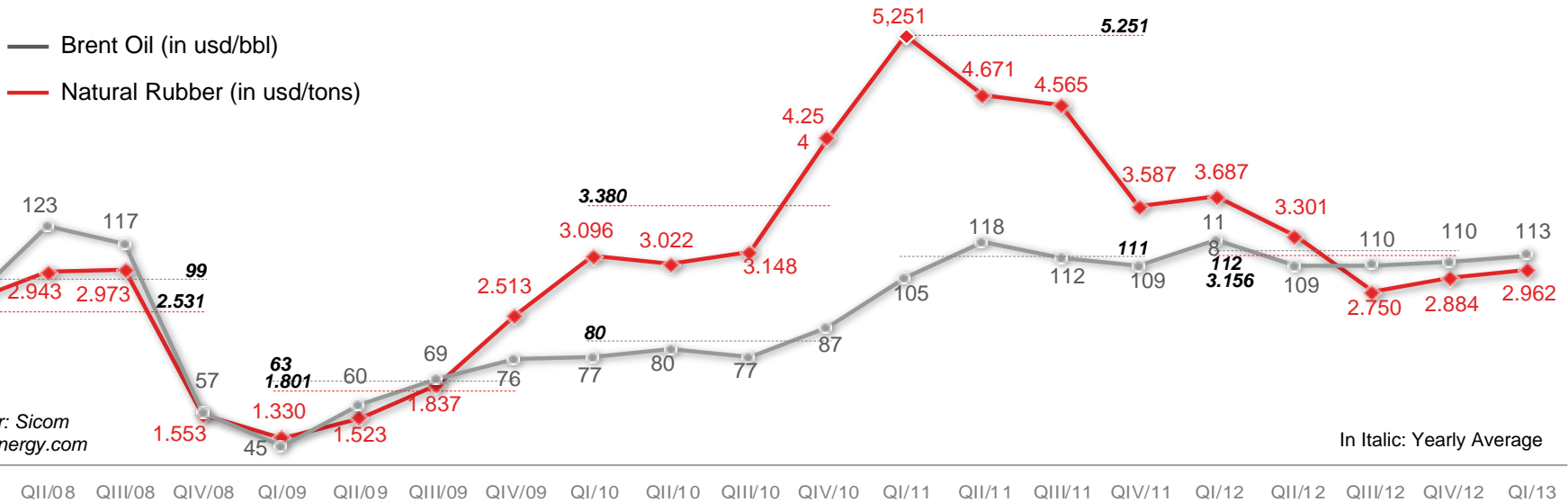
# PIRELLI PLANTS IN THE WORLD





# RAW MATERIALS

## RAW MATERIAL PRICE TREND



## 1Q 2013 MIX (BASED ON PURCHASING COST)

Raw mat. costs  
on sales: 36.4%

