



FY'14 PRELIMINARY RESULTS

MILANO – FEB 12, 2015



AGENDA



FY 2014 PRELIMINARY RESULTS



2015 OUTLOOK & TARGETS



FY 2014 TYRE OVERVIEW



APPENDIX

KEY MESSAGES - 2014

> Sound 2014: targets delivered in spite of a macro and market slowdown in Brazil and the deterioration in Venezuela and Argentina.

> Premium Strategy accelerating vs. London Plan:

- Global Premium Market grew 10% year-on-year, non-Premium slightly positive (Nov. 2013 London Plan assumption: Premium market growth 3x vs. non-Premium)
- Pirelli consolidated its positioning, reflected in a market share gain of ~1 p.p. globally
- Leader in price/mix

FY 2014 RESULTS VS GUIDANCE

	2014 targets November 2014 <i>(including Steelcord)</i>	2014 targets restated * <i>(with Steelcord as discontinued operations)</i>	FY 2014 Preliminary Results unaudited <i>(with Steelcord as discontinued operations)</i>
Revenues	>6.1 / <6.2 €/bln	>6.0 / <6.1 €/bln	6.0 €/bln
• Volumes	> +2.5%	> +2.5%	+2.0%
- o/w Premium	>+16%	>+16%	+17.8%
• Price/mix	~ +4% / ~+5%	~ +4% / ~+5%	+4.2%
• Foreign Exchange	~ -7% / ~ -7.5%	~ -7% / ~ -7.5%	-6.6%
Total Revenues Growth	~ flat	~ flat	-0.7%
EBIT post restructuring	~ 850 €/mln	~ 840 €/mln	838 €/mln
• Non-recurring expenses (restructuring costs and asset valuation adjustments)	40 €/mln	40 €/mln	31 €/mln
Capex	<400 € mln		378 €/mln
Net Cash Flow before Dividends and Steelcord disposal	> 250 € mln		312 €/mln
NFP	~1.2 € bln		980 €/mln (~1.17 € bln exc. Steelcord disposal impact)

* As a result of the disposal of the Steelcord activities, FY 2014 targets – formerly reported at constant consolidation perimeter – have been restated excluding Steelcord third-parties results from Group Revenues and EBIT (~90 € million Revenues and ~10 € million EBIT) as previously announced

PIRELLI KEY FINANCIAL RESULTS

PRELIMINARY
UNAUDITED FIGURES

	FY 13*	FY 14	Δ YOY	Q4 13*	Q4 14	Δ YOY
Revenues	6,061	6,018	-0.7%	1,475	1,489	+1.0%
<i>Organic Growth**</i>			+5.9%			+4.1%
EBITDA before Restr. Costs	1,095	1,168	+6.7%	288	300	+4.2%
<i>Margin</i>	18.1%	19.4%	+1.3p.p.	19.5%	20.2%	+0.8p.p.
EBIT before Restr. Costs	810	869	+7.3%	217	221	+2.2%
<i>Margin</i>	13.4%	14.4%	+1.0p.p.	14.7%	14.9%	+0.2p.p.
Restructuring Costs	(25)	(31)		(10)	(13)	
EBIT	785	838	+6.8%	206	208	+0.9%
<i>Margin</i>	12.9%	13.9%	+1.0p.p.	14.0%	14.0%	+0.0p.p.
Investments***	413	378				
Net Debt	1,322	980				

* Restated with Steelcord among discontinued operations

** Excluding exchange rate effects

*** Tangible and Intangible investments

FY 2014 PERFORMANCE BY REGION

PRELIMINARY
UNAUDITED FIGURES

Tyre Sales			Consumer Sales			Industrial Sales			Tyre EBIT Margin**
€/Mln		Δ YOY		Δ YOY		Δ YOY			
Total	6,008	-0.4%	Organic growth*		4,611	+2.9%	Organic growth*		14.7% (+0.8 pp)
			+6.2%				+8.9%		
Europe	34%	+4.6%	+4.2%		40%	+5.1%	+4.7%		Europe Mid-teens (improving YOY from double-digit in FY 2013)
NAFTA	12%	+4.7%	+5.3%		15%	+5.3%	+6.0%		NAFTA Mid-teens (improving YOY)
Russia & CIS	54%	-4.3%	+8.7%						Russia Mid single digit (negative in FY 2013)
MEAI	8%	+0.2%	+6.8%		45%	+0.3%	+13.4%		MEAI High-teens (improving YOY)
APAC	9%	+16.0%	+17.5%						APAC Twenties (improving YOY)
South America	33%	-9.5%	+5.4%						South America Low-teens (declining YOY)

* Excluding exchange rate effects

** Before Restr. Costs

PREMIUM OUTPERFORMANCE IN EVERY MARKET: VOLUME GROWTH 2x THE MARKET

PRELIMINARY
UNAUDITED FIGURES

€/Mln

Δ YOY

Organic growth*

Total 2,274 2,536 +12%

+13%

Europe 51% 49% +8%

+7%

- Consolidated leadership in Super Premium: 22% total mkt share in ≥ 18" segment, >+1pp vs. 2013 YE
- Strong customer appreciation of marked items supporting profitability

NAFTA 24% 24% +10%

+11%

- Successful product innovation: 4 new US tailored products
- Increased geo-coverage of areas with higher Premium potential

Russia & CIS 25% 27% +38%

+54%

- **Russia and CIS:** doubled Premium mkt share thanks to a wider product range and market coverage

MEAI 1% 2% +18%

+23%

- **MEAI:** sound growth in key markets

South America 3% 3% -1%

+20%

- **South America:** Premium outperformance and successful introduction of Green products, SUV/LT

APAC 7% 6% +28%

+30%

- **APAC:** region with highest growth especially in Super Premium, full advantage of OE pull-through

FY 2013 **FY 2014**

Weight on Consumer Revenues

51%

55%

* Excluding exchange rate effects

AGENDA



OUTLOOK 2015

- > **Macroeconomic scenario:** growth continues in China and Mature Markets, volatility expected in South America and Russia
- > **Car market:** growing prevalence of Premium car (>10% on new registrations), leading to a faster growth of Premium tyre market at a global level (>5x vs Non-Premium year-on-year)
- > **Truck market:** Truck production in recovery, Truck tyres >2% volume growth driven by Replacement
- > **Competition:** growing on Premium but barriers to entry are more complex. Industry FCF/sales at ~4%.

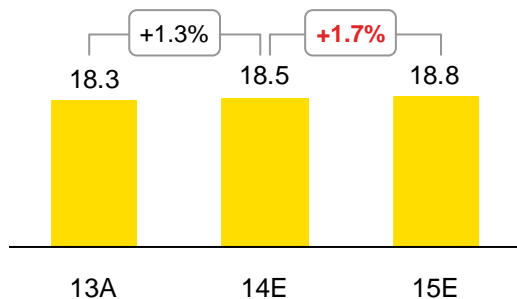
2015 MACROECONOMIC SCENARIO: CHINA AND MATURE MARKETS STILL DRIVING GROWTH, VOLATILITY AFFECTING LATAM AND RUSSIA

GDP \$/Trillion

□ Δ %YOY

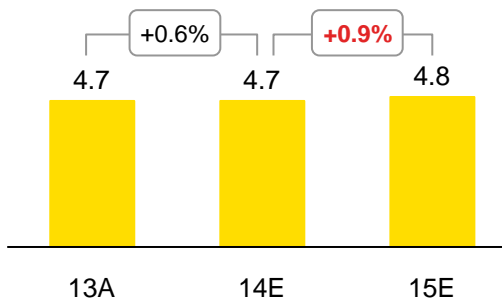
Mature Economies

Europe* (EU)

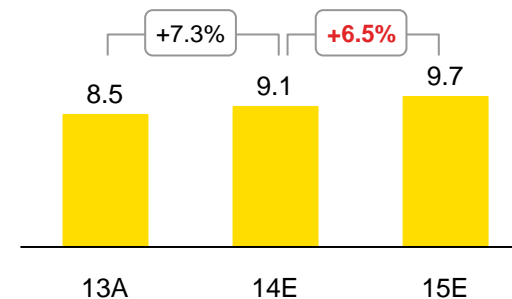


RDEs

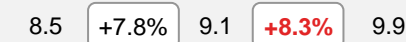
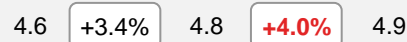
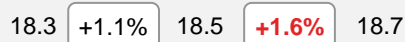
LATAM



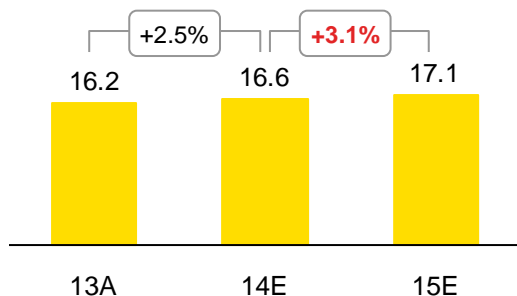
China



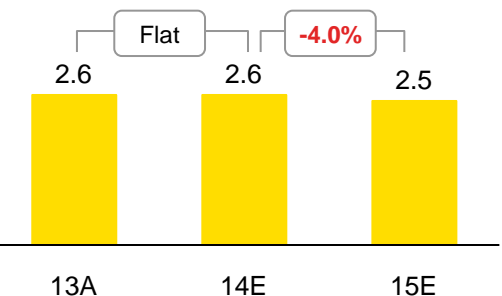
London Plan Nov. '13*



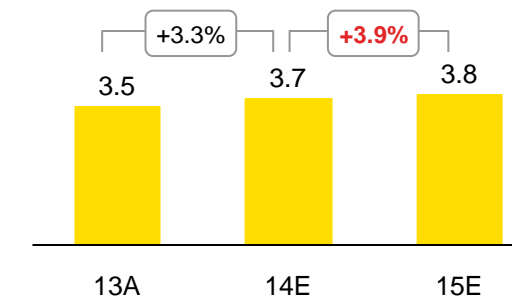
USA



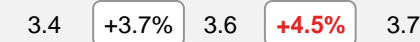
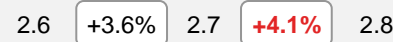
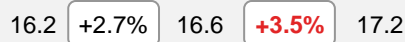
Russia + CIS



MENA

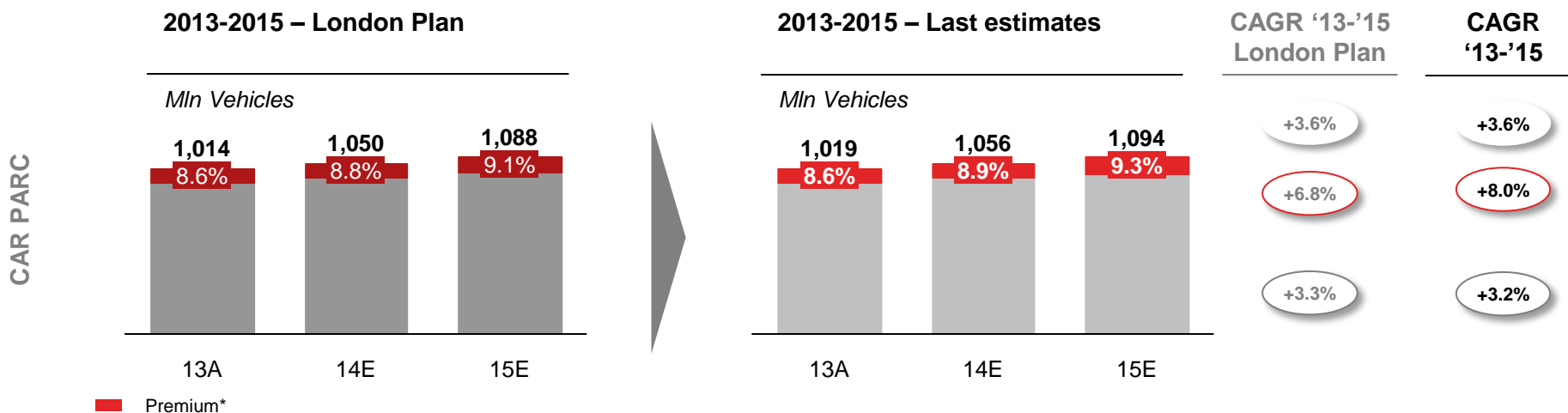


London Plan Nov. '13

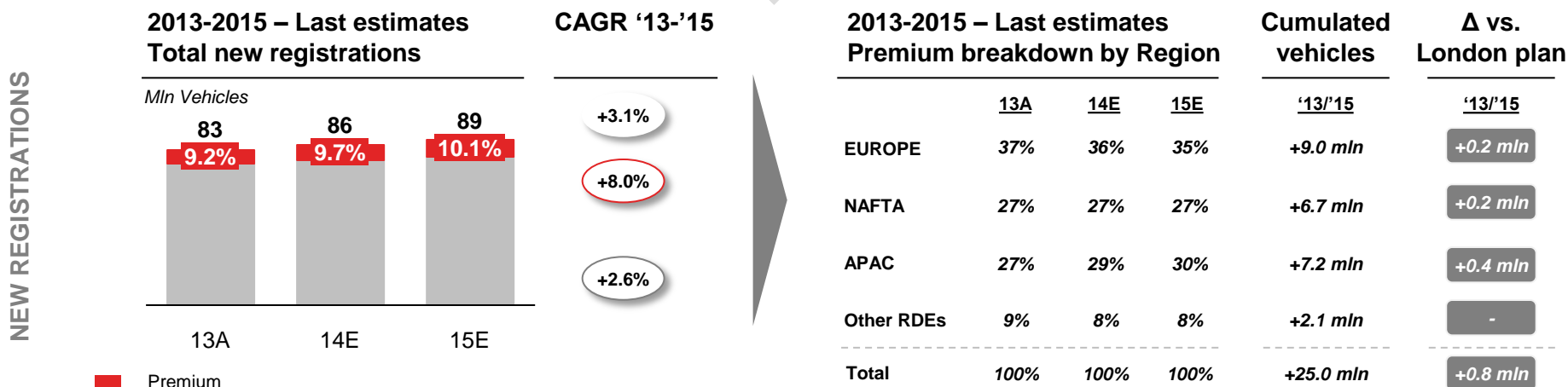


* European historical nominal GDP restated according to the new national accounting system ESE2010

CAR MARKET: UPSIDE FROM CHINA PREMIUM GROWTH



APAC will drive Premium growth and Europe & NAFTA will keep their relevant weight in the segment



*Compared to Nov. 2013 London plan, premium car parc percentage has been restated on the basis of a more accurate methodology.

Source: IHSE Global Insight Jan. 2015

CAR TYRE: PREMIUM OUTGROWING OUR EXPECTATIONS

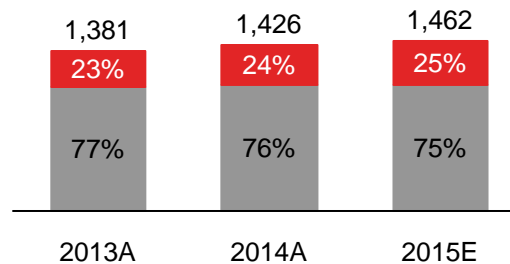
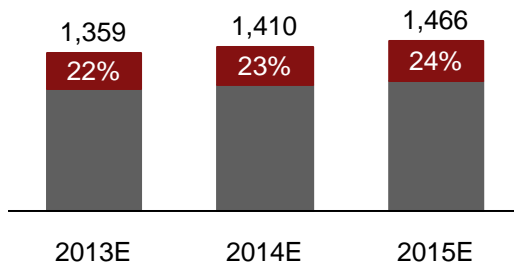
London Plan (Nov. 2013)

CAGR '13-'15

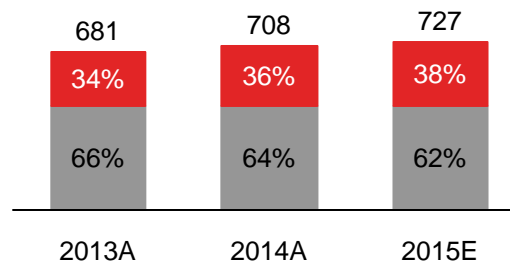
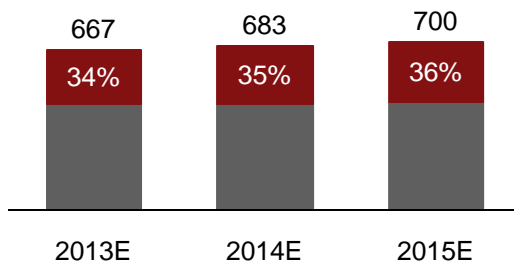
CAGR '13-'15

Mln pcs

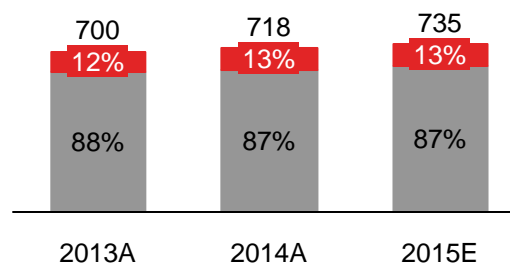
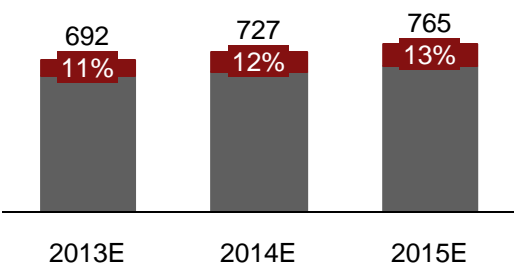
GLOBAL



MATURE
(Europe + NAFTA)



EMERGING



- APAC still growing at the same rate but from higher base
- Latam & Russia discount rebased overall market expectations

■ Premium > 17"

TRUCK PRODUCTION LOWER THAN EXPECTATIONS, RECOVERY IN 2015

Truck Production* – Last estimates

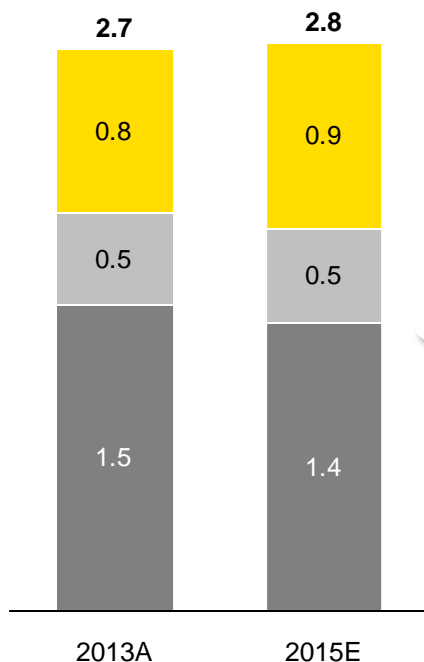
Mln Vehicles

CAGR '13-'15
+0.5%

+0.5%

- 0.4 mln vehicles

+7.9%



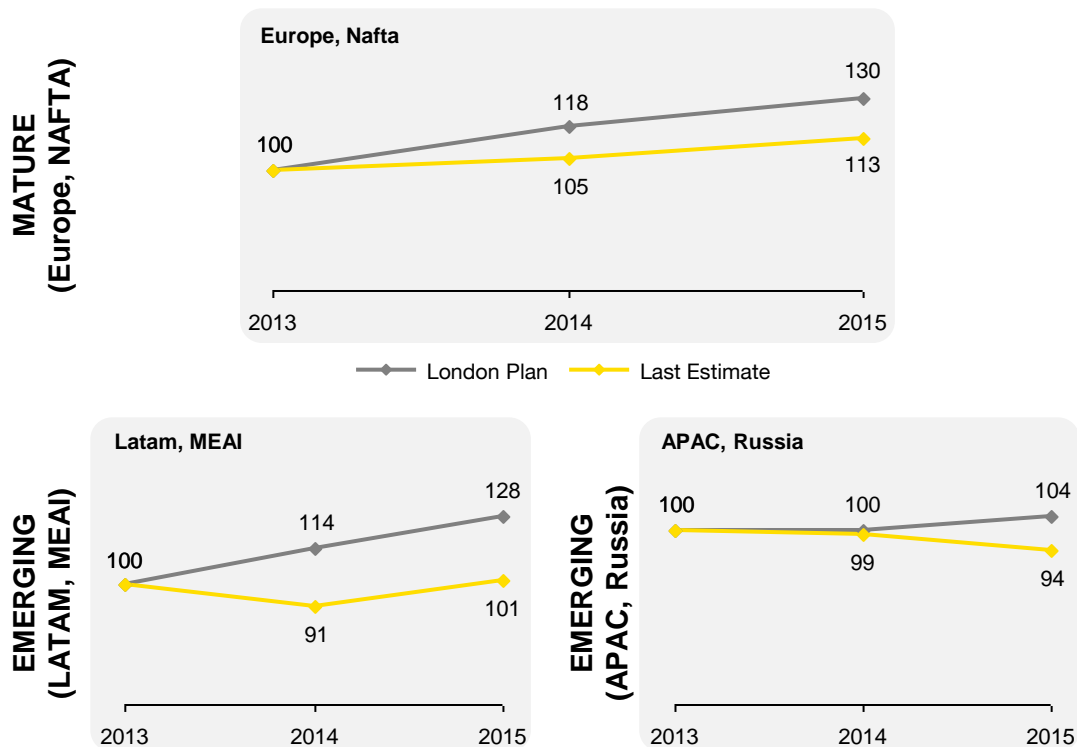
London plan

■ EU, NAFTA ■ APAC, Russia
■ Latam, MEAI

* Truck >6t, Mln Units

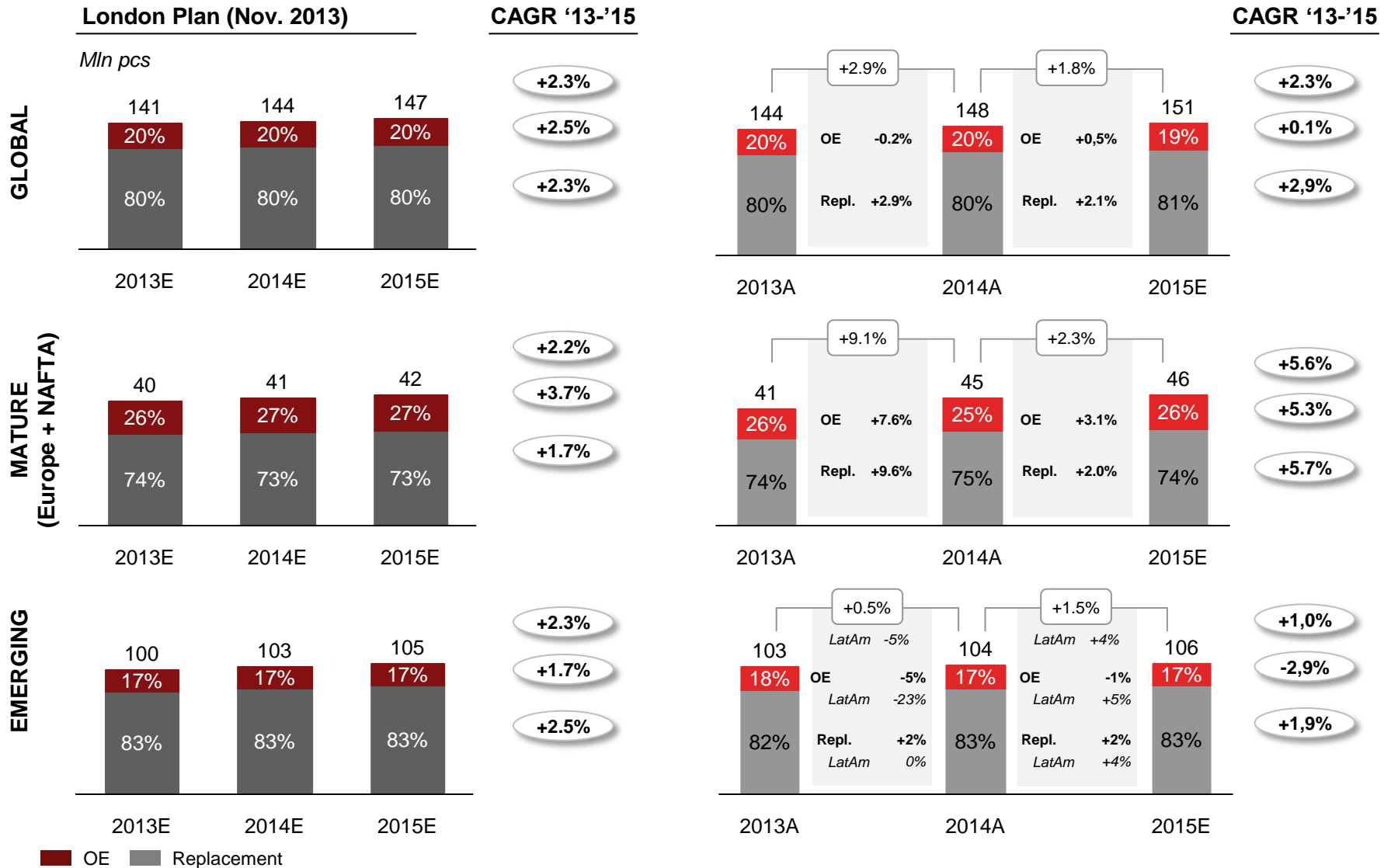
Source: IHS Nov. 2014

Production trend by Region – Last estimates (2013=100)



Emerging markets missed the growth; Mature markets keep up and grow in line with expectations (mainly driven by NAFTA)

TRUCK TYRE*: EUROPE AND NAFTA OFFSETTING EMERGING MARKETS SLOWDOWN



COMPETITIVE SCENARIO IN 2015

Competitive dynamics

Focus on Premium & Product

Premium arena attracting Industry's attention: however, a technological and complexity challenge

Pricing Behaviour

Partial transfer of benefits deriving from current Raw Materials scenario to Clients

Geographical Coverage

Industry adds capacity in line with market growth: APAC and N. America the main markets

Capacity De-Localization

56% the Industry* average for Car and 59% for Truck in low-cost countries

Increasing Control of Distribution

Increasing prevalence of owned equity network and exclusive distribution agreements to better control volumes, pricing and mix

Use of Second Brands

Tier 1 players use them to achieve growth and reach pricing segments

Diversification into Services

First moves of expansion towards tyre-related and mobility services

Moto

Emerging markets: premiumization taking place

Industrial

Market polarization towards either integrated product & service offering (high-end) or basic product supply (low-end)

Efficiencies

Productivity enhancement, waste improvement, and cost rationalization to limit inflation impact in selected markets

Pirelli positioning

Pirelli focus on Prestige & Premium paying off: strong partnership with Car Makers; unique specialty products

Technological innovation, focus on Premium and balanced geographical exposure will protect value

Premium plant expansion progressing according to plan, in Mexico, China and Romania

Pirelli presence in low-cost countries: Car 78% and Truck 100%

Coverage of specific areas with highest Premium value potential in close integration with trade partners

Focus on Pirelli brand

Pirelli developing Cyber-sensor-related apps and services

Leveraging on OE partnerships, and extending leadership in such markets

New Fleet-Centric Growth Program, offering tyre, retread, and services with TCO / PPK**

On track to achieve Industrial efficiency target (~1% on sales each year)

* Pirelli analysis based on main peers panel with revenues >\$1 bln

**PPK: Price Per Kilometer; TCO: Total Cost of Ownership

PIRELLI PRIORITIES IN 2015

CAR



- > **Maintain Prestige and Premium leadership through OE business via:**
 - Technological innovation
 - Leading homologation portfolio
 - Growing product specialties
- > **Grow replacement market share working on:**
 - Car dealer pull-through
 - Geolocalized Premium vehicle park coverage
 - Reduced weight of generic wholesalers
 - Consumer Marketing initiatives
 - Product renewal in Medium segment

MOTO



- > **Initial production volumes from Indonesia plant**
- > **Strengthen technological leadership and expand in Asia Pacific**







INDUSTRIAL



- > **Prepare a more focused and independent organization unit while actively seeking a partnership**
- > **Enhanced Truck business model, more fleet-centric, with an enriched value proposition**

Continuous grip on efficiency, \geq London Plan program
Ready to act with contingency plan to counterbalance volatility in Venezuela and Argentina

2015 REGIONAL TARGETS

Tyre Market			2015 Pirelli Tyre Business Target		Highlights
			Revenues	EBIT Margin*	
APAC		Car >+4% YOY, o/w Premium >+10% Truck* >+1%	Mid teen organic growth (>20% in €)	Twenties increasing YOY	<ul style="list-style-type: none"> Outperforming Premium market leveraging on OE pull-through, new product launch and retail development
NAFTA		Car > 3% YOY, o/w Premium > 6% Truck >+2%	High single-digit organic growth (mid-teens in €)	Mid-teens increasing YOY	<ul style="list-style-type: none"> Enhancing our Premium position focusing on ≥18", marked tyres, tailor-made products and market coverage Mexico plant boosting profitability
EUROPE		Car > 1% YOY, o/w Premium >+7% Truck * >+2%	Mid single-digit organic growth	Mid-teens stable YOY	<ul style="list-style-type: none"> Consolidating our leadership in Premium fully benefiting from OE pull-through, new product launch and selected retail approach
MEAI		Car >+2% YOY, o/w Premium > 5% Truck * >+2%	Low single-digit organic growth (high teens in €)	High-teens stable YOY	<ul style="list-style-type: none"> Outgrowing Premium segment in key countries Improving product and service offer in Truck
LATAM		Car flat YOY, o/w Premium ~+15% Truck * >3%	High single-digit organic growth (flat in €)	Low-teens increasing YOY	<ul style="list-style-type: none"> Maintaining leadership in OE by focusing on value Mix improvement: Premium and SUV Distribution: leveraging on Equity and growing share of wallet in multibrand
RUSSIA		Car -7% YOY, o/w Premium -12% Truck * -2%	Mid single-digit organic growth (mid-teen decline in €)	High single-digit increasing YOY	<ul style="list-style-type: none"> Increasing profitability through mix improvement, efficiencies and export
TOTAL		Car +2,5% YOY, o/w Premium +7% Truck * +2%			

* All steel only

* Before Restructuring Costs

VENEZUELA & ARGENTINA: THE SCENARIO IN 2015

Venezuela

Macro Scenario

- Challenging economic scenario:
- Real GDP: -3,5% YOY in 2014
- Car Tyre market (OE+RT) -30% in 2014, -40% in 2015E**
- Concerns for change to existing multi-tiered exchange rate regime

Pirelli 2014 Exposure

- 1 plant: Capacity already reduced to ~1.0 mln pcs Car over the last 2 years, 100% Local for Local
- ~ 3% weight on tyre revenues
- Cash position due to ongoing capital restraints

2015 Targets Underlying Assumptions

- Action plan to face the current crisis:
 - Temporary reduction of production output (50% capacity utilization) due to lack of raw material availability
 - Temporary stop to imports of finished products
- Weight on 2015 revenues <2% (-1pp yoy)
- Cautious planning assumptions already reflect current difficult scenario:

FX impact (€/mln)	Q1 '14	Q4 '14	FY '14	FY '15
USD/VEF	10.7	12	12	20
Cash devaluation	-46	-11	-57	-70
Fin. Charges*	0	~ 70	~70	~30

Argentina

Uncertain outlook:

- Real GDP -0,8% in 2014 and -1.4% in 2015 (Jan. '15 estimate)
- Car Tyre market - 7.5% in 2014, stable in 2015E**

- Market leader
- 1 plant, ~5.1 mln pcs car capacity in 2014, 63% Local for Local
- Limited cash position

- Possible slowdown of imports imposed by government due to currency imbalance, mitigated by increase in exports
- Forex devaluation already factored in our guidance: USD/ARS 11.5
- Weight on 2015 revenues: <5% (stable YOY)

2015 Ebit risk of 30€/mln should the above scenario further deteriorate
(utilization rate down to 30% in Venezuela and volumes -10/-15% yoy in Argentina)

* Reclassification in Profit & Losses of exchange rate losses not realized already recognized in equity

Source: IHS Global Insight, Jan. 2015; Cavanez; Adefa; ** Pirelli estimate, Feb. 2015

FY 2015 GUIDANCE

FY 2014 Preliminary
unaudited

2015 Guidance

Revenues	6.0 € bln
• Volumes	+2.0%
- o/w Premium	+17.8%
• Price/mix	+4.2%
• Foreign Exchange	-6.6%
Total revenues growth	-0.7%

~ 6.4 € bln
≥ +3%
≥ +10%
≥ +4%
~ -1%
~ +6%/+6.5%

Forex Guidance (yearly avg)		
	2014	2015
EUR/USD	1.33	1.22
EUR/RUB	51	65.0
USD/BRL	2.35	2.65
USD/VEF*	12	20
USD/ARS	8.12	11.5

EBIT post restructuring	838 € mln
• Non-recurring expenses (restructuring costs and asset valuation adjustments)	31

~ 930 € mln
~40

2015 Ebit risk of 30€/mln should Venezuela and Argentina scenarios further deteriorate, with utilization rate down to 30% in Venezuela and volumes -10/-15% YOY in Argentina

Capex	378 € mln
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< 400 € mln

Net cash flow before dividends and Steelcord disposal	312 € mln
-----------------------------------------------------------------	------------------

≥ 300 € mln

NFP	980 € mln (~1,17 € bln excl steel cord disposal impact)
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* 2014 YE Exchange rate

2015 CONSUMER & INDUSTRIAL GUIDANCE

Consumer Business

	2014 Preliminary unaudited	2015 Guidance
Revenues	4.6 € bln	~ 4.9 € bln
• Volumes	+5%	~+3%
- o/w Premium	+17.8%	≥+10%
• Price/mix	+3.9%	≥ +4%
• Forex	-6%	~ -1%
Total	+2.9%	+6%/+6.5%
EBIT margin before non-recurring items	15.1%	≥16%

Industrial Business

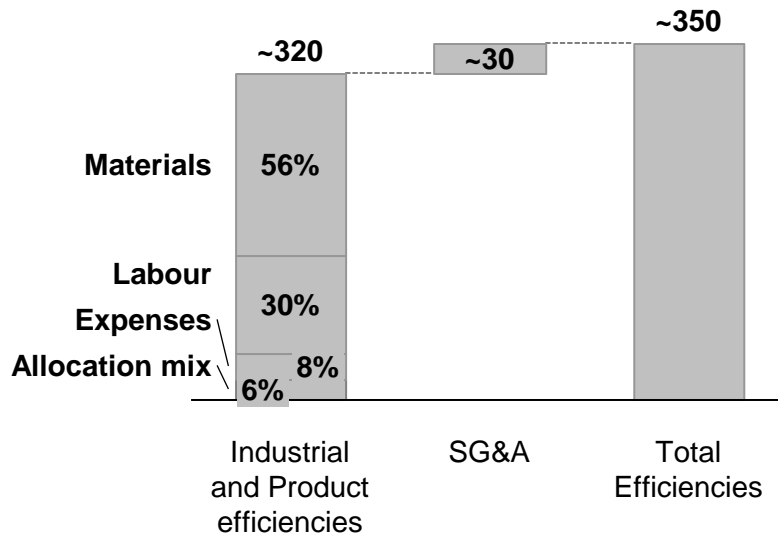
	2014 Preliminary unaudited	2015 Guidance
Revenues	1.4 € bln	~1.5 € bln
• Volumes	-6.5%	+4.5%/5%
• Price/mix	+5.0%	~ +4.5%
• Forex	-8.5%	~ -2%
Total	-10.0%	+7%/+7.5%
EBIT margin before non-recurring items	13.1%	~12%
EBIT margin before non-recurring items* <i>(100% net of Steelcord)</i>	11.7%	~12%

* Net of 100% Steelcord business in order to make 2015 profitability trend comparable (2014A reported Ebit is only excluding third parties steelcord contribution)

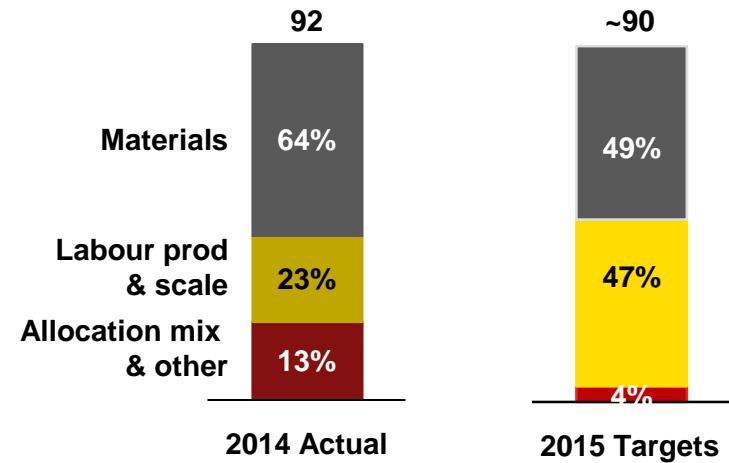
EFFICIENCY PROGRAM: RESULTS AND TARGETS

€/mln

2014-2017 Efficiency Plan

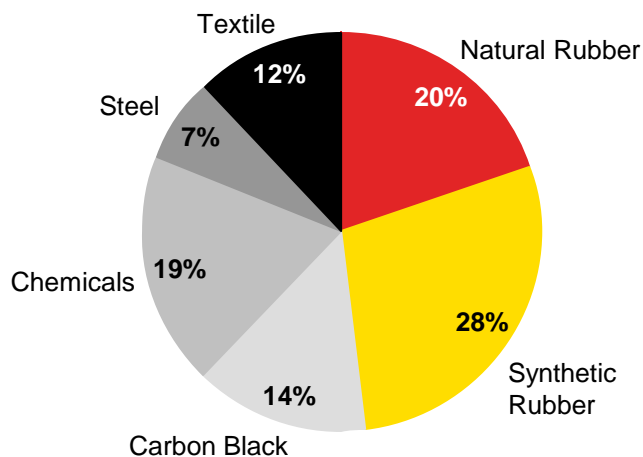


2014 results and 2015 targets



2015 RAW MATERIAL GUIDANCE

Raw material breakdown FY 2014



35% on Revenues

2014 Actual

Average cost of goods sold (€/Mln)

Natural Rubber TSR20 (\$/ton)

Brent Oil (\$/barrell)

Butadiene EU (€/Ton)

FX

Total

Foreign Exchange Rate scenario (Yearly average)

	2014 Actual	2015 assumptions
EUR/USD	1.33	1.22
EUR/RUB	51	65
USD/BRL	2.35	2.65
USD/ARS	8.12	11.5
USD/VEF*	12.0	20

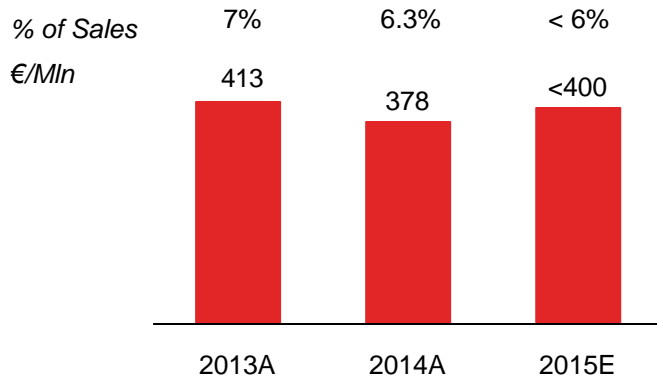
2015 Guidance

2015E	Δ YOY
~1.700	+55
78	+117
~950	-2
	-164
	+6

* YE 2014 Exchange rate

2015 CAPEX AND CAPACITY: PREMIUM EXPANSION IN LOW-COST COUNTRIES, MIX AND QUALITY IMPROVEMENT IN MATURE MARKETS

Capex



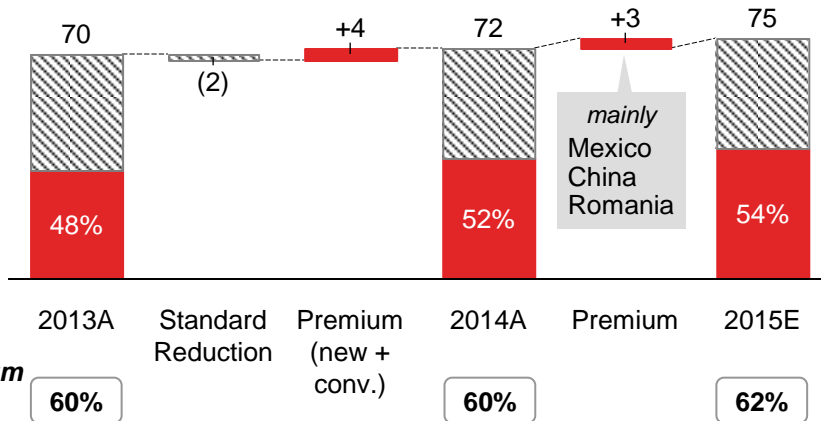
Capex by destination

	2013A	2014A	2015E
Capacity	34%	36%	37%
<i>o/w Premium</i>	29%	29%	36%
Mix & Quality	40%	32%	35%
Others	26%	32%	28%

Capacity

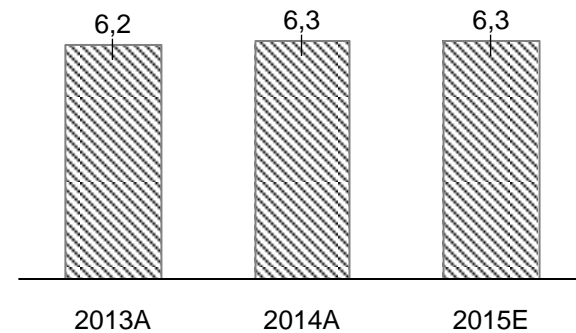
Consumer

Mln pcs



Industrial

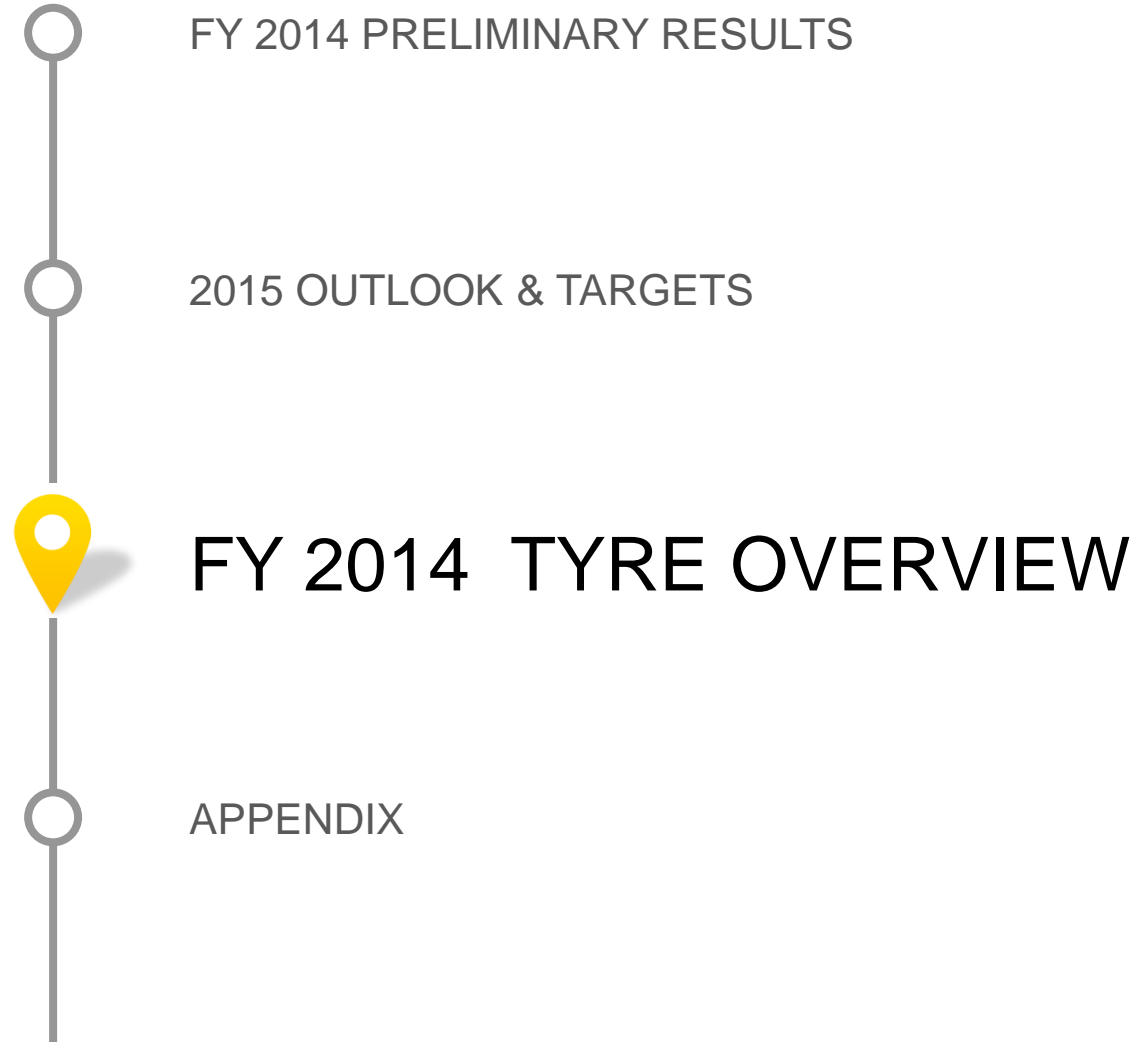
Mln pcs



2015 PROFITABILITY GUIDANCE

Driver	2014 Preliminary unaudited Impact	2015 Guidance Impact
Volumes	+2.0% of sales	≥3% of sales
Price/Mix	+4.2% of sales	≥+4% of sales
Forex	-6.6% of sales	-1% of sales
	Δ YoY on Ebit	Δ YoY on Ebit
Efficiencies	+92 €/mln	~+90 €/mln
Raw Materials	+4.5 €/mln	+6 €/mln
Other Input Costs	-127 €/mln	~ -135 €/mln
D&A, Other Costs	-67 €/mln	-80 €/mln
Minor businesses	+18 € (FY14 Ebit: -11 €/mln)	~ slightly positive (FY15E Ebit: < -10 €/mln)
Restructuring costs	-5.8 €/mln (FY'14 Restr. Costs: -31€/mln)	-10 €/mln
Cost of debt		<6%
Tax rate		35%
Operating Working Capital		>5%

AGENDA



KEY TYRE RESULTS

€/Mln

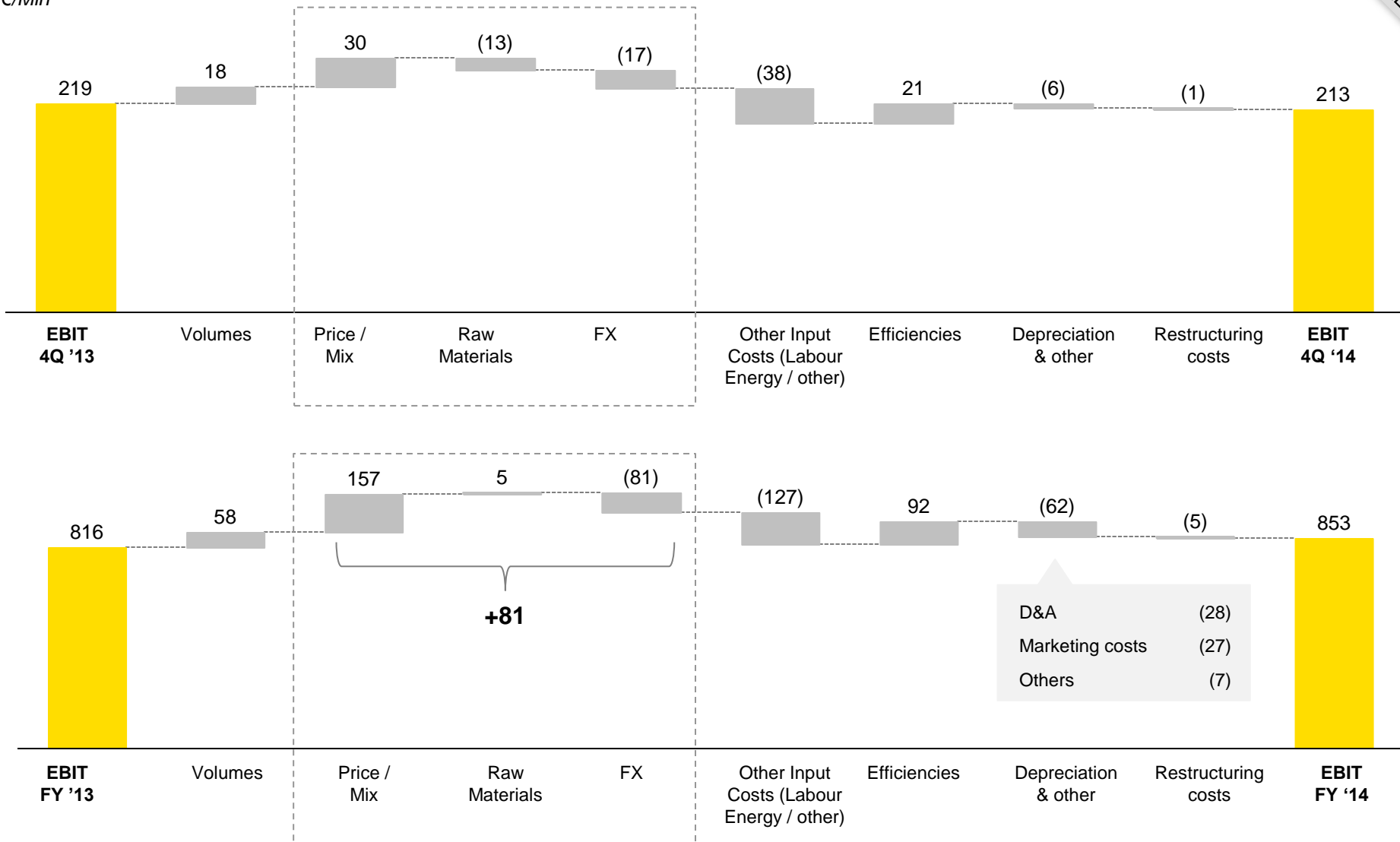
	Q1'14	Δ %	Q2'14	Δ %	Q3'14	Δ %	Q4'14	Δ %	FY'14	Δ %
Revenues	1,470	-2.4%	1,511	-3.6%	1,539	+3.3%	1,488	+1.3%	6,008	-0.4%
<i>o/w Premium</i>	640	+12.9%	645	+12.6%	649	+11.1%	602	+9.4%	2,536	+11.5%
EBITDA before restr. costs	280	+8.7%	309	+9.9%	287	+1.7%	301	+0.6%	1,177	+5.1%
<i>Margin</i>	19.1%	+2.0p.p.	20.4%	+2.5p.p.	18.7%	-0.3p.p.	20.2%	-0.2p.p.	19.6%	+1.0p.p.
EBIT before restr. costs	210	+12.2%	236	+12.6%	212	-0.8%	223	-2.7%	881	+4.9%
<i>Margin</i>	14.3%	+1.8p.p.	15.6%	+2.2p.p.	13.8%	-0.5p.p.	15%	-0.6p.p.	14.7%	+0.8p.p.
EBIT	205	+11.2%	229	+11.1%	206	+0.3%	213	-3.1%	853.0	+4.5%
<i>Margin</i>	13.9%	+1.7p.p.	15.2%	+2.0p.p.	13.4%	-0.4p.p.	14.3%	-0.6p.p.	14.2%	+0.7p.p.

Revenue drivers	Q1'14	Q2'14	Q3'14	Q4'14	FY'14
Δ Price/Mix	+4.6%	+6.0%	+3.3%	+2.8%	+4.2%
Δ Volumes	+3.8%	-0.2%	+3.1%	+1.6%	+2.0%
<i>o/w Premium</i>	+22.2%	+20.9%	+17.3%	+10.7%	+17.8%
Δ Revenues (before exchange rate impact)	+8.4%	+5.8%	+6.4%	+4.4%	+6.2%
Δ Exchange Rate	-10.8%	-9.4%	-3.1%	-3.1%	-6.6%

PIRELLI TYRE OPERATING PERFORMANCE

PRELIMINARY
UNAUDITED FIGURES

€/Mln



CONSUMER BUSINESS: PIRELLI PERFORMANCE

PRELIMINARY
UNAUDITED FIGURES

€/Mln

	Q1'14	Δ %	Q2'14	Δ %	Q3'14	Δ %	Q4'14	Δ %	FY'14	Δ %
Revenues	1,129	+1.1%	1,160	+1.8%	1,178	+4.9%	1,144	+4.0%	4,611	+2.9%
<i>o/w Premium</i>	640	+12.9%	645	+12.6%	649	+11.1%	602	+9.4%	2,536	+11.5%
% revenues	57%	+6p.p.	56%	+5p.p.	55%	+4p.p.	53%	+3p.p.	55%	+4p.p.
EBITDA before restr. costs	219	+12.6%	245	+20.4%	228	+7.6%	242	+5.7%	935	+11.4%
<i>Margin</i>	19.4%	+2.0pp	21.1%	+3.2pp	19.4%	+0.5pp	21.2%	+0.4p.p.	20.3%	+1.6p.p.
EBIT before restr. costs	163	+17.9%	187	+27.3%	167	+7.7%	181	+4.9%	697	+13.9%
<i>Margin</i>	14.4%	+2.0pp	16.1%	+3.2p	14.2%	+0.4pp	15.8%	+0.1p.p.	15.1%	+1.4p.p.
EBIT	159	+16.8%	181	+25.7%	164	+8.6%	172.3	+4.4%	677	+13.4%
<i>Margin</i>	14.1%	+1.9pp	15.6%	+2.9p.p.	13.9%	+0.4pp	15.1%	0.1p.p.	14.7	+1.4p.p.
Revenue drivers	Q1'14		Q2'14		Q3'14		Q4'14		FY'14	
Δ Price/Mix	+4.4%		+5.8%		+3.1%		+2.5%		+3.9%	
Δ Volumes	+5.9%		+4.3%		+5.3%		+4.5%		+5.0%	
<i>o/w Premium</i>	+22.2%		+20.9%		+17.3%		+10.7%		+17.8%	
Δ Revenues (before exchange rate impact)	+10.3%		+10.1%		+8.4%		+7.0%		+8.9%	
Δ Exchange Rate	-9.2%		-8.3%		-3.5%		-3.0%		-6.0%	

INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

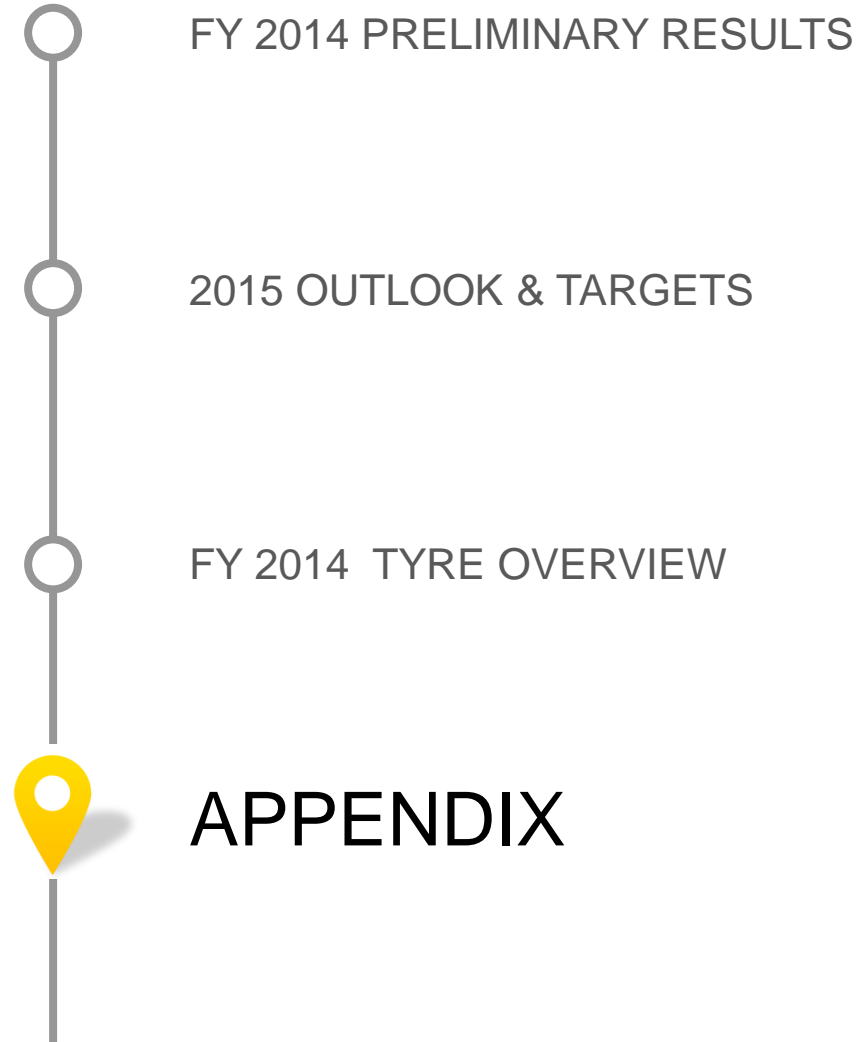
PRELIMINARY
UNAUDITED FIGURES

€/Mln

	Q1'14	Δ %	Q2'14	Δ %	Q3'14	Δ %	Q4'14	Δ %	FY'14	Δ %
Revenues	341	-12.2%	352	-18.1%	361	-1.4%	344	-6.7%	1,397	-10.0%
EBITDA before restr. costs	61	-3.3%	64	-17.7%	59	-15.9%	59	-15.9%	242	-13.6%
<i>Margin</i>	17.9%	+1.7p.p.	18.1%	+0.1p.p.	16.4%	-2.8p.p.	17.0%	-1.9pp	17.3%	-0.8pp
EBIT before restr. costs	48	-3.8%	49	-21.7%	44	-23.4%	42	-25.7%	183	-19.3%
<i>Margin</i>	14.0%	+1.3p.p.	14.0%	-0.7p.p.	12.3%	-3.5p.p.	12.2%	-3.1pp	13.1%	-1.5pp
EBIT	46	-4.6%	48	-23.0%	42	-22.8%	40	-26.1%	176	-19.7%
<i>Margin</i>	13.5%	+1.1p.p.	13.6%	-0.9p.p.	11.7%	-3.2p.p.	11.7%	-3.1pp	12.6%	-1.5pp

Revenue drivers	Q1'14	Q2'14	Q3'14	Q4'14	FY'14
Δ Price/Mix	+5.4%	+6.5%	+4.0%	+3.9%	+5.0%
Δ Volumes	-2.2%	-12.2%	-3.6%	-7.3%	-6.5%
Δ Revenues (before exchange rate impact)	+3.2%	-5.7%	+0.4%	-3.4%	-1.5%
Δ Exchange Rate	-15.4%	-12.4%	-1.8%	-3.3%	-8.5%

AGENDA

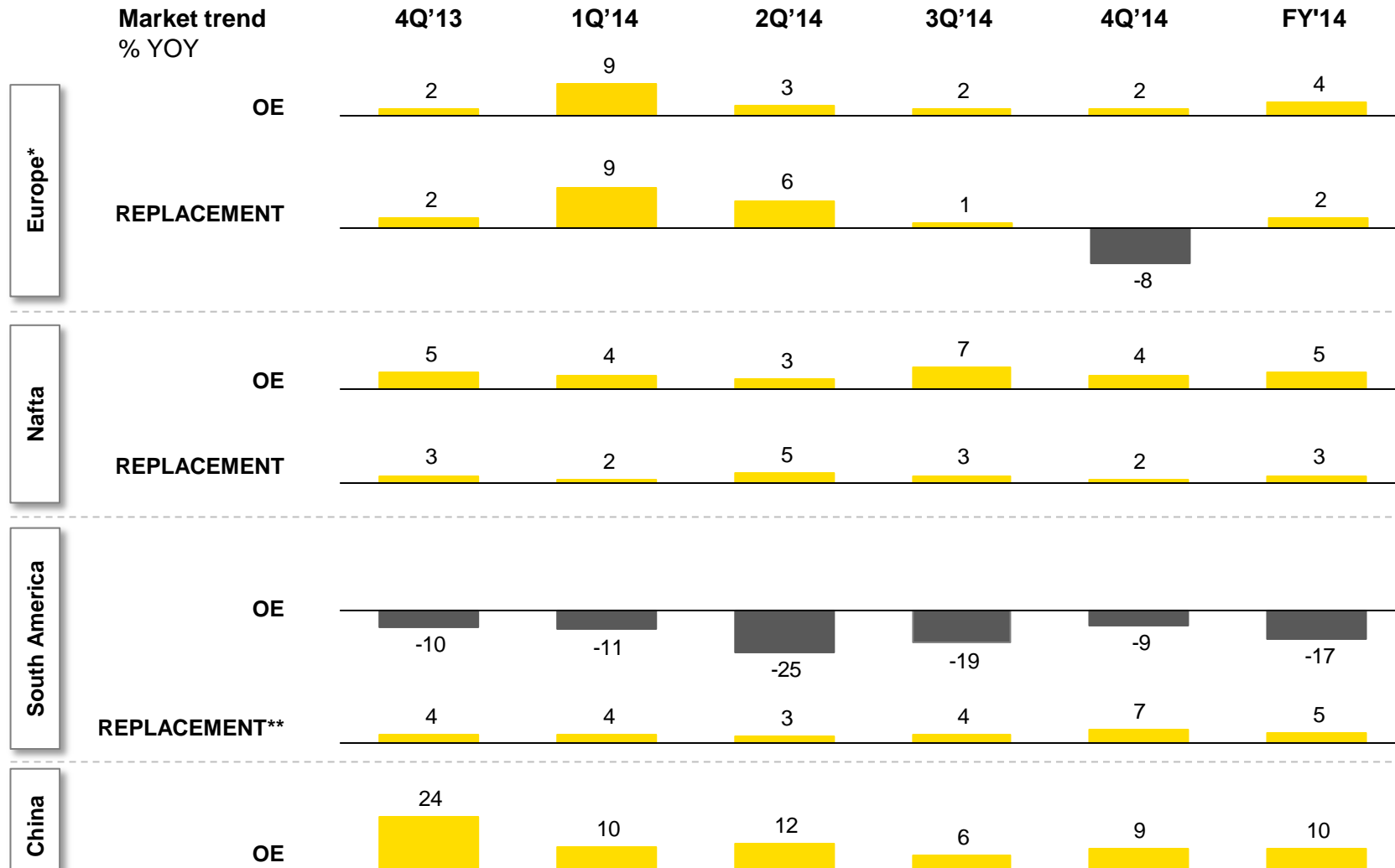


PIRELLI GROUP – 2014 QUARTERLY RESULTS

PRELIMINARY
UNAUDITED FIGURES

	Q1'14		Q2'14		Q3'14		Q4'14 preliminary		FY'14 preliminary	
	Tyre	Group	Tyre	Group	Tyre	Group	Tyre	Group	Tyre	Group
SALES	1,469.5	1,473.2	1,511.3	1,513.7	1,539.2	1,541.8	1,488	1,489	6,008	6,018
EBITDA before Restr. Costs	280.3	277.3	308.7	305.5	287.2	284.9	301	300	1,177	1,168
<i>% of sales</i>	<i>19.1%</i>	<i>18.8%</i>	<i>20.4%</i>	<i>20.2%</i>	<i>18.7%</i>	<i>18.5%</i>	<i>20.2%</i>	<i>20.2%</i>	<i>19.6%</i>	<i>19.4%</i>
EBIT before Restr. Costs	210.3	206.7	236.1	232.2	211.7	208.9	223	221	881	869
<i>% of sales</i>	<i>14.3%</i>	<i>14.0%</i>	<i>15.6%</i>	<i>15.3%</i>	<i>13.8%</i>	<i>13.5%</i>	<i>14.9%</i>	<i>14.9%</i>	<i>14.7%</i>	<i>14.4%</i>
Restructuring Costs	(5.4)	(5.7)	(7.0)	(7.0)	(5.4)	(5.4)	(10)	(13)	(28)	(31)
EBIT	204.9	201.0	229.1	225.2	206.3	203.5	213	208	853	838
<i>% of sales</i>	<i>13.9%</i>	<i>13.6%</i>	<i>15.2%</i>	<i>14.9%</i>	<i>13.4%</i>	<i>13.2%</i>	<i>14.3%</i>	<i>13.9%</i>	<i>14.2%</i>	<i>13.2%</i>
Net Financial Position	1,935.3	1,965.6	1,906.6	1,935.2	1,973.1	2,003.9	943	980	943	980

CONSUMER BUSINESS: KEY MARKET TRENDS

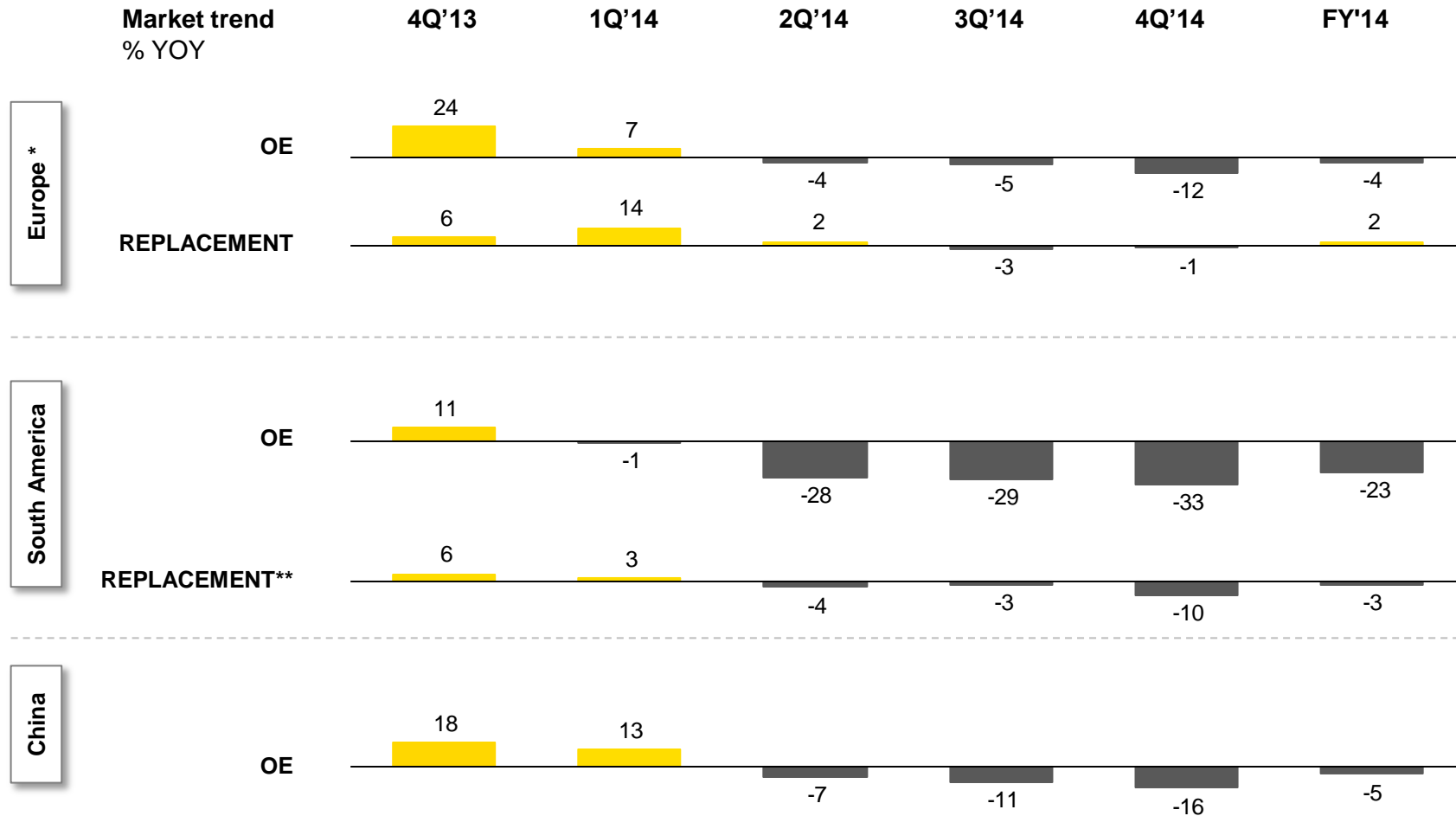


* Turkey included, Russia excluded

** South America Replacement restated to include Brazilian imports

Source: Local tire manufacturer associations

INDUSTRIAL BUSINESS: KEY MARKET TRENDS



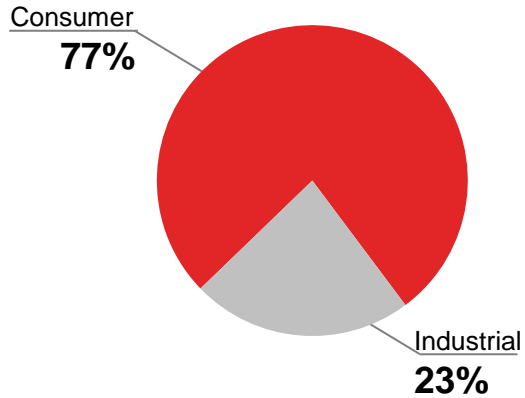
* Turkey included and Russia excluded

** Non-pool members' imports not included

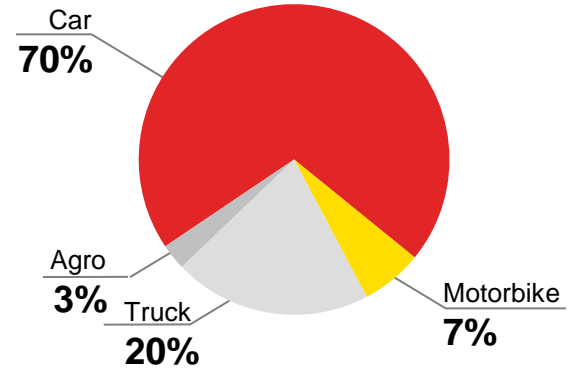
Source: Major external data providers for each Region and Pirelli Estimates

FY 2014 PIRELLI TYRE MIX

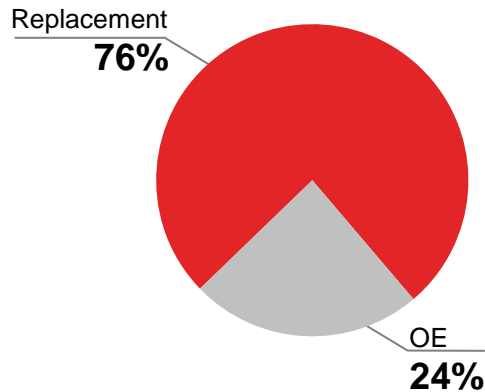
Sales by Business



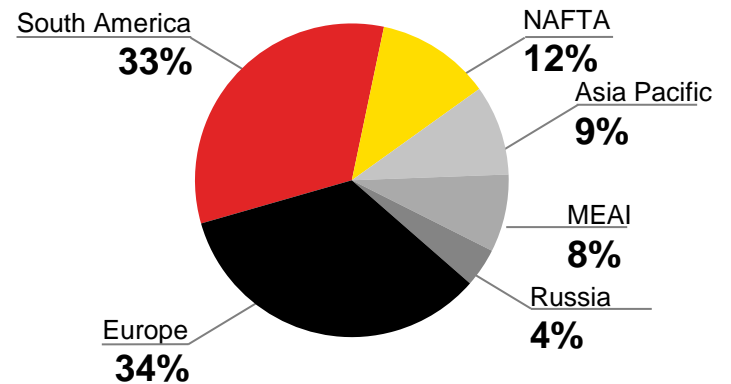
Sales by Segment



Sales by Channel

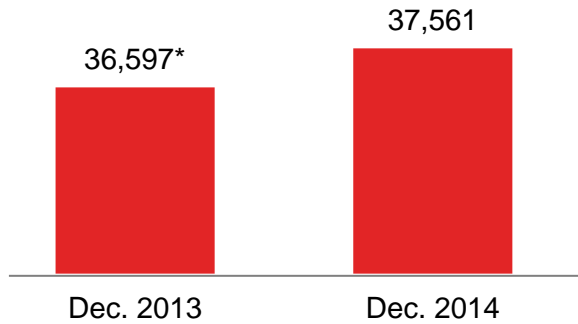


Sales by Region



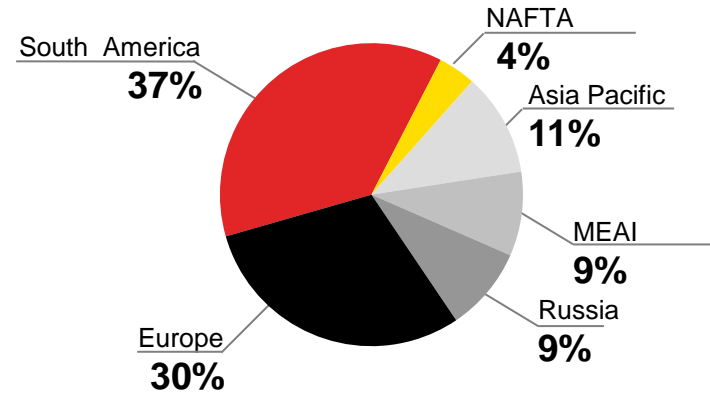
DECEMBER 2014 PIRELLI PEOPLE

Headcount

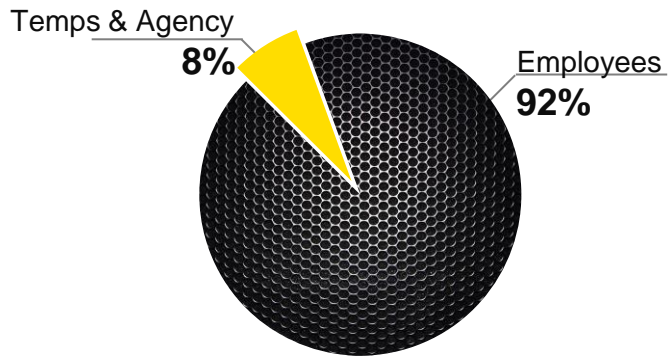


* Net of Steelcord headcount (Italy, Romania and Brazil)

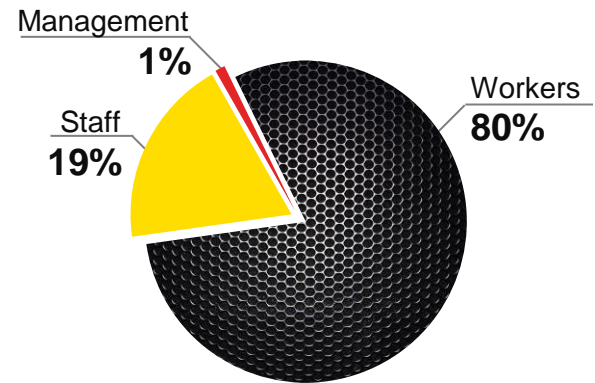
People by Region



People by Contract



People by Cluster

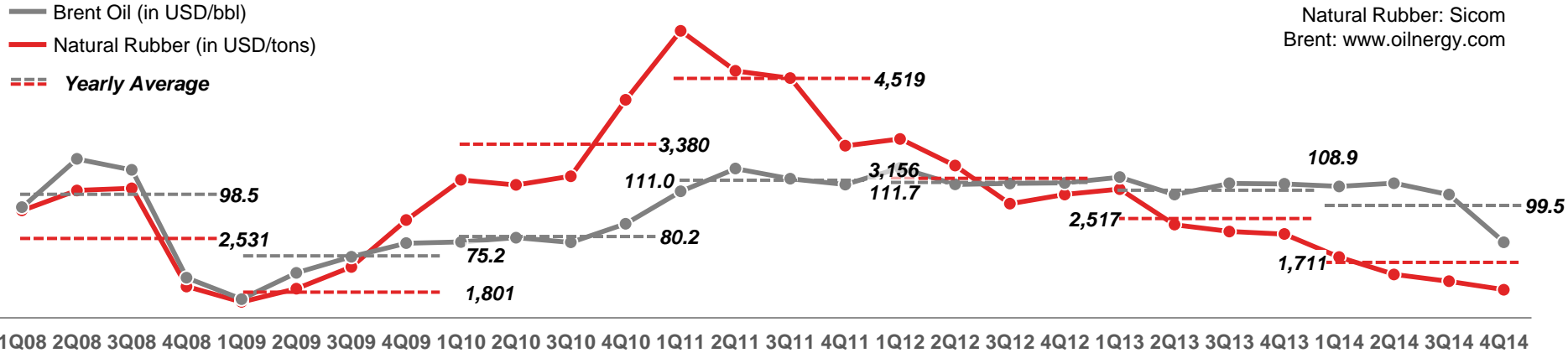


PIRELLI PLANTS IN THE WORLD



RAW MATERIALS

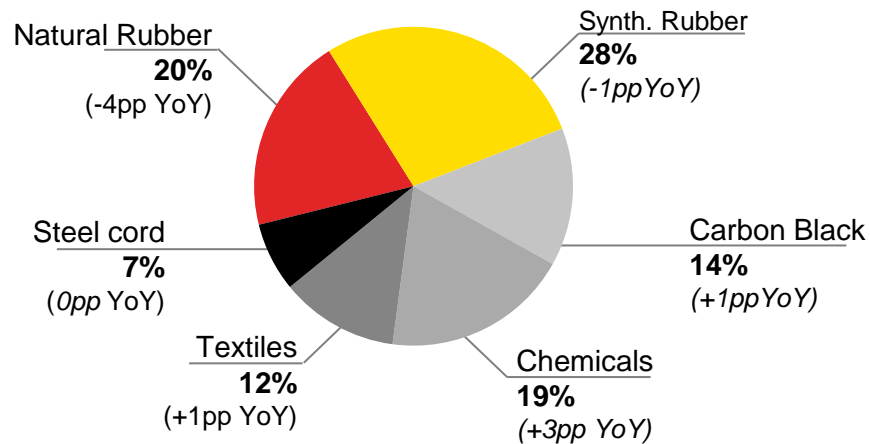
Raw Material Price Trend



FY 2014 Mix (Based on Purchasing Cost)

35%

Raw mat. costs on sales



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