

The Pirelli logo, consisting of a stylized red 'P' followed by the word 'IRELLI' in red, all set against a yellow rectangular background.

PIRELLI

PIRELLI H1 2014 RESULTS

MILANO – AUGUST 5, 2014



AGENDA



KEY MESSAGES



H1 2014 RESULTS



2014 OUTLOOK & TARGETS



H1 2014 TYRE OVERVIEW



APPENDIX

KEY MESSAGES

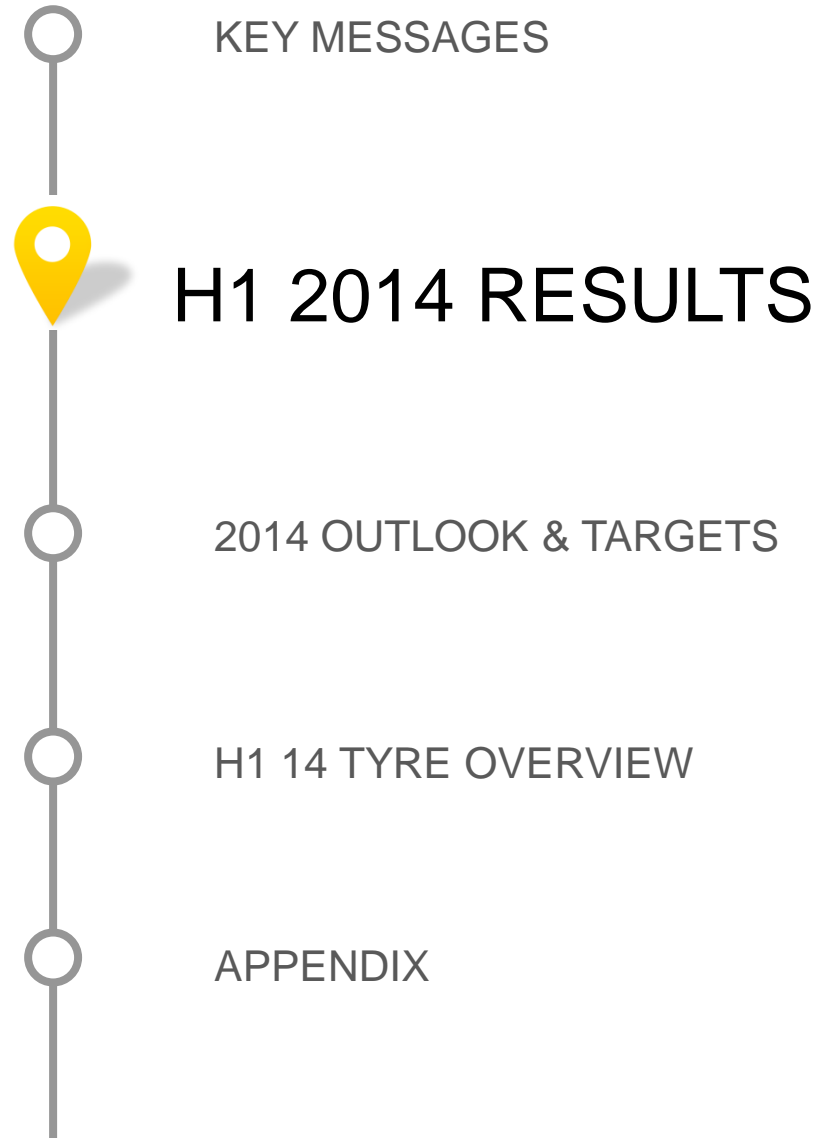
Pirelli H1 snapshot

- > **Premium: worldwide value growth driver, better than expected**
- > **Record profitability**
 - Strong results from favorable balance of price/mix, forex and raw materials
 - Efficiency gains well on track

2014 Outlook

- > **Industry: globally resilient**
 - Premium demand outperforming, growth 3x Non-Premium
 - Confirmed focus on profitability & cash flow generation
- > **Pirelli** – faster growth on Premium and accelerated action plan to recover OE weakness in South America

AGENDA



PIRELLI KEY FINANCIAL RESULTS

	H1 13*	H1 14	Δ yoy	Q2 13*	Q2 14	Δ yoy	Q2 2014 Highlights
Revenues	3,090.0	2,986.9	-3.3%	1,575.4	1,513.7	-3.9%	<ul style="list-style-type: none"> On-going organic growth, especially in Europe, Asia Pacific, Russia and Nafta
<i>Organic growth**</i>			6.7%			5.5%	
EBITDA before Restr. Costs	529.3	582.8	10.1%	276.3	305.5	10.6%	<ul style="list-style-type: none"> Favourable momentum for Premium: volumes up 21%
<i>Margin</i>	17.1%	19.5%	2.4 p.p.	17.5%	20.2%	2.7 p.p.	
EBIT before Restr. Costs	385.9	438.9	13.7%	204.2	232.2	13.7%	<ul style="list-style-type: none"> Record profitability, Ebit margin before restr. costs above 15% driven by price mix and efficiencies
<i>Margin</i>	12.5%	14.7%	2.2 p.p.	13.0%	15.3%	2.3 p.p.	
Restructuring Costs	(7.4)	(12.7)		(4.2)	(7.0)		
EBIT	378.5	426.2	12.6%	200.0	225.2	12.6%	
<i>Margin</i>	12.2%	14.3%	2.1 p.p.	12.7%	14.9%	2.2 p.p.	
PBT	250.7	306.9		136.8	163.0		
<i>Tax Rate</i>	-40.4%	-37.4%		-43.1%	-37.6%		
Net Income before Discontinued operations	149.5	192.1	28.5%	77.8	101.7	30.7%	<ul style="list-style-type: none"> Strong bottom line growth also due to lower financial expenses and taxes
Discontinued operations	0.6	1.7		0.2		0.6	
Net Income	150.1	193.8	29.1%	78.0	102.3	31.2%	
Attributable Net Income	151.4	189.1		78.5	99.4		
Investments***	164.0	143.6		84.3	78.3		<ul style="list-style-type: none"> 187 €/mIn net cash flow generation before dividend payment due to tight management of working capital
Net Debt	1,732.6	1,935.2					

* Restated with Steel Cord among discontinued operations

** Excluding exchange rate effects

*** Tangible and intangible investments

H1 2014 PERFORMANCE BY REGION

Tyre Sales			Consumer Sales			Industrial Sales			Tyre Ebit Margin**	
€/Mln		Δ YoY	Organic growth*		Δ YoY	Organic growth*		Δ YoY	Organic growth*	
Total	2,980.8	-3.0%	+7.1%	2,288.3	+1.5%	+10.2%	692.5	-15.3%	-1.5%	15.0% (+2.1 pp)
Europe	35%	+9.7%	+9.5%	42%	+9.9%	+9.7%	14%	+7.5%	+7.1%	Europe Mid-teens (improving yoy from high single digit in H1 2013)
NAFTA	12%	+1.8%	+6.6%	15%	+2.7%	+7.4%	2%	-14.4%	-8.9%	NAFTA Mid-teens (improving yoy)
Russia & CIS	53%	-10.8%	+5.9%							Russia High single digit (break-even in H1 2013)
MEAI	4%	-5.9%	+9.3%	43%	-5.9%	+11.5%				MEAI Low twenties (improving yoy)
APAC	8%	-5.9%	+4.4%		-3.1%	+12.2%	84%	-18.2%	-2.4%	APAC Low twenties (improving yoy)
South America	9%	+10.8%	+16.1%		+0.6%	+10.5%				South America Mid-teens (declining yoy)
	32%	-17.1%	+3.7%		+16.2%	+21.7%				
					-14.7%	+8.2%				

* Excluding exchange rate effects

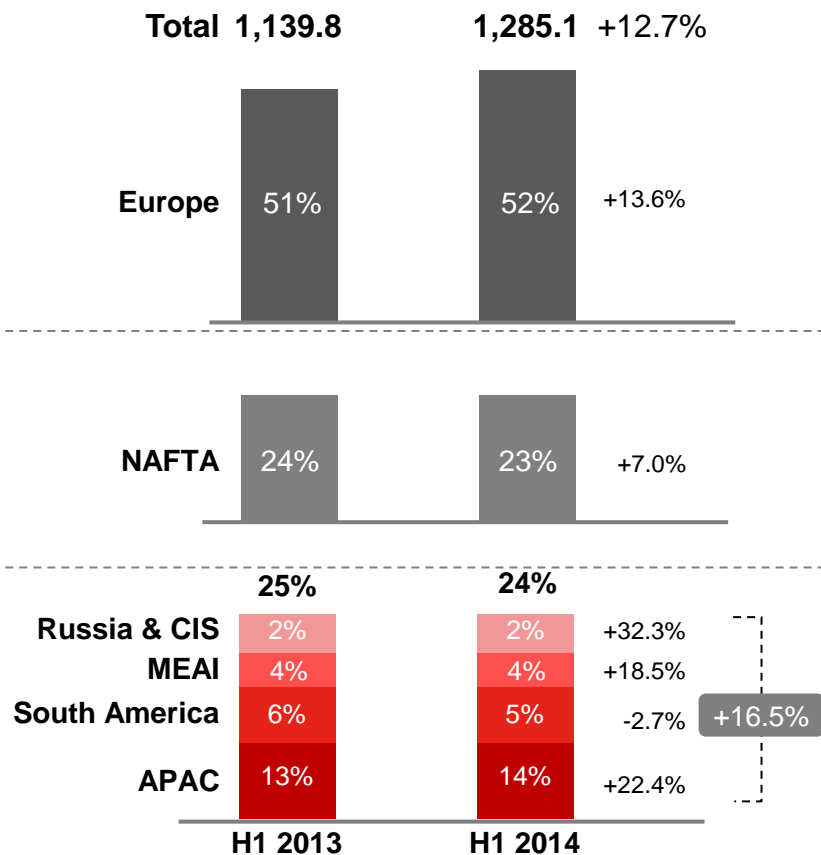
** Before restr. costs

PREMIUM: OUR GROWTH ENGINE ACROSS REGIONS

€/Mln

Δ YoY

Organic growth*



- **Tangible benefits from investments in OE:** marked tyres +20% yoy
- **Reinforced market share in the ≥ 18" tyre segment** in the European market growing double digit in H1. Market share increase in core markets.
- **Winter:** pre-booking activity confirms positive expectations for winter season
- Strong growth of Premium marked tyres sale in H1 +19% yoy, following investments made in recent years
- Extended POS coverage through FasTrack program (H1 sales confirm a good mix with high share of ≥18", above 50%)
- **Russia and CIS:** market share gains in Winter and Summer, benefits from the wider product range
- **MEAI:** solid progress and market share gains in key markets
- **South America:** Premium outperformance and successful introduction of Green products, SUV/LT
- **APAC:** market share gains, especially in ≥18" and European OEMs

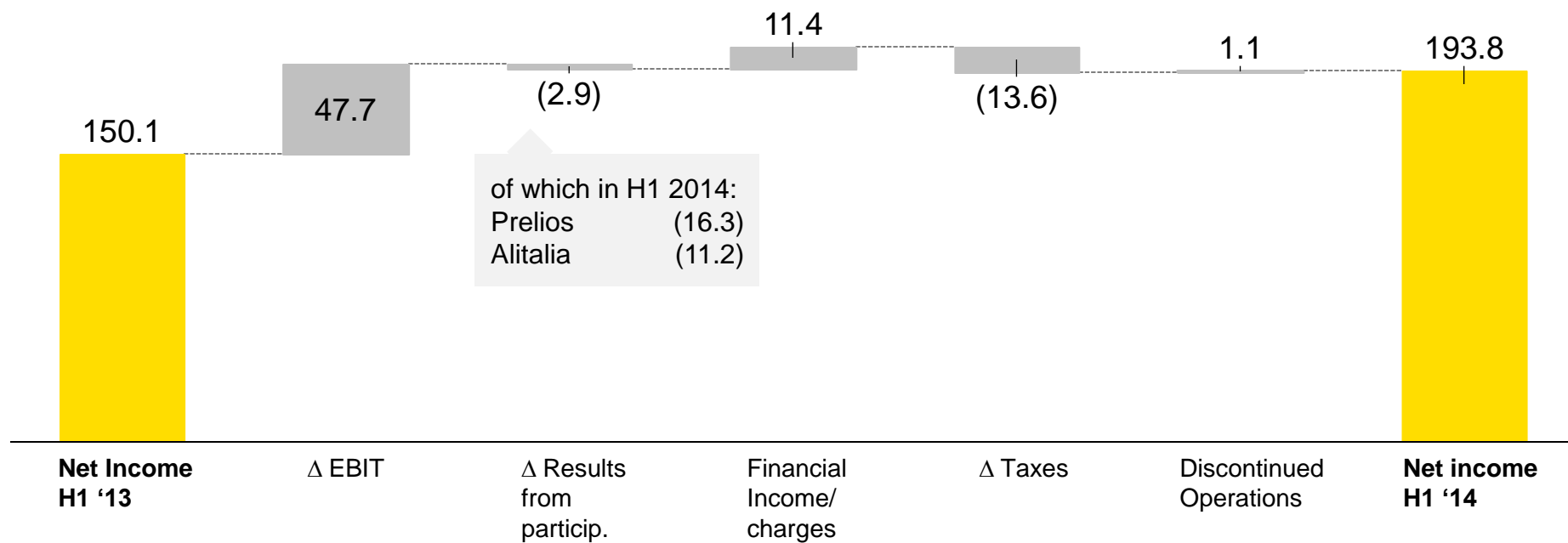
Weight on Consumer Revenues
 50.5% → **56.2%**

* Excluding exchange rate effects



PIRELLI NET INCOME H1 2014 VS H1 2013

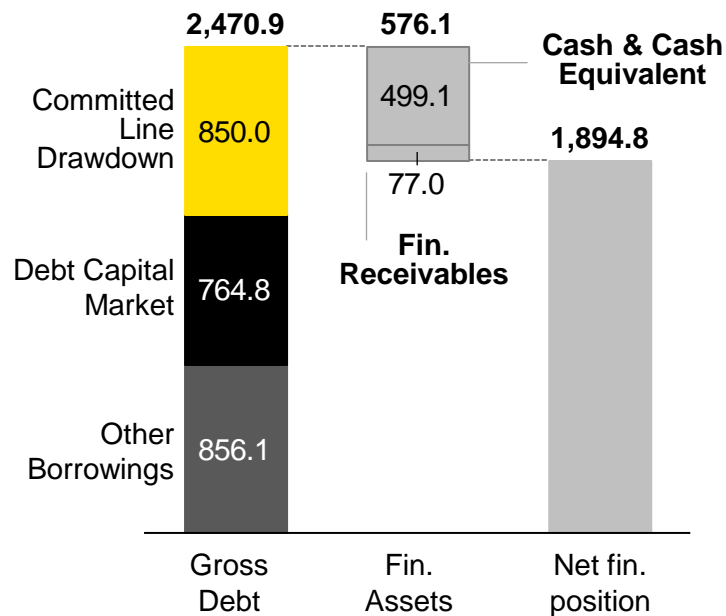
€/Mln



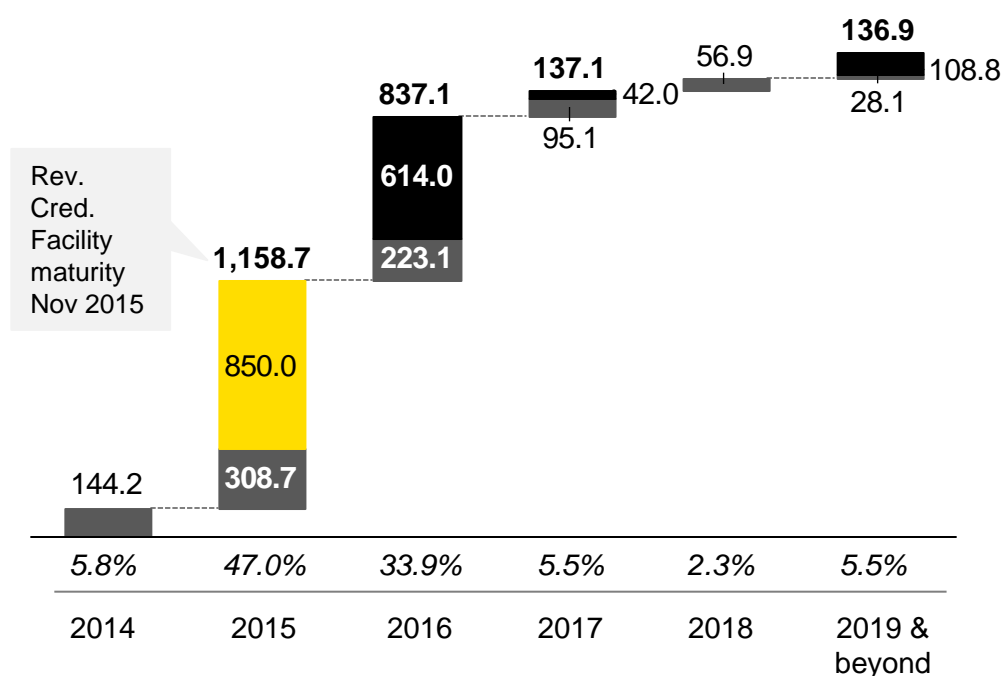
DEBT STRUCTURE AS OF JUNE 30, 2014

Net Financial Position

€/Mln



Gross Debt Maturity



Liquidity Profile

€/Mln

Liquidity position	499.1
Total committed lines not drawn due in 2015	350.0
Liquidity Margin	849.1

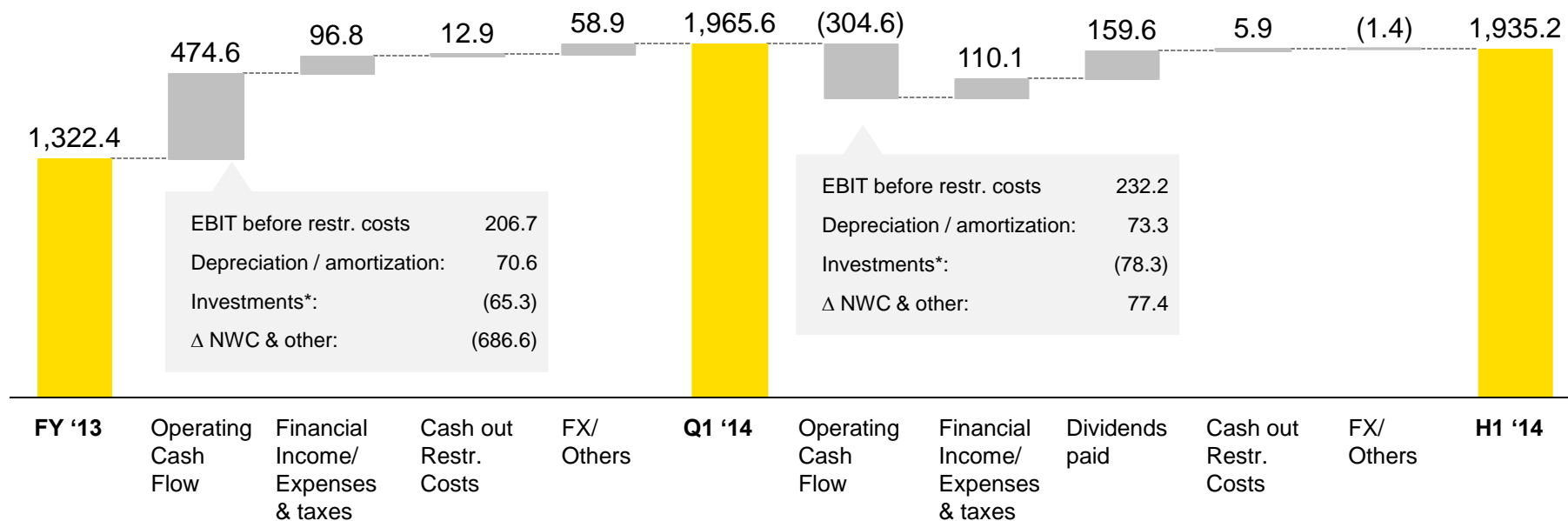
Debt Profile

- >45% of the debt maturity beyond 2015
- Cost of debt* 6.00% as of June 30, 2014
- Gross debt profile ~76% Fixed and ~24% Floating
- Average debt maturity: ~ 1.8 years

* Cost of debt <6.5% across the 2013-2017 industrial plan horizon due to exposure of debt to high interest rate countries

PIRELLI H1 2014 NET FINANCIAL POSITION

€/Mln



* Tangible and intangible investments

AGENDA



KEY MESSAGES



H1 2014 RESULTS



2014 OUTLOOK & TARGETS



H1 2014 TYRE OVERVIEW



APPENDIX

2014 PIRELLI OUTLOOK BY REGION

Premium growth ahead of plan with consistent growth of market share, Europe and Apac above expectations compensating slower development of South America

Car Tyre Market	2014 Tyre BusinessTarget						Highlights
	Revenues			EBIT%*			
Europe	+5% yoy o/w Premium up double-digit	▲	High single-digit growth (from mid- single)	▲	Mid-teens	▲	Making the most of Premium growth
Asia Pacific	+5% yoy o/w Premium up double digit	=	Mid single- digit growth	=	Twenties (from high- teens)	▲	Outperforming Premium Market, due to presence in fast growing Car Park
Russia and CIS	Negative mid single-digit	▼	High single-digit growth (from double-digit)	▼	High single-digit (from mid)	▲	Mix improvement and efficiency gains continue to drive the turnaround
NAFTA	+3% yoy o/w Premium up mid single-digit	=	Mid single- digit growth	=	Mid-teens	=	Mix improvement and wider Premium distribution market coverage
MEAI	+5% yoy o/w Premium up double-digit	=	Low single- digit growth	=	High-teens	▲	Above average profitability despite FX volatility
South America	RT +3%, o/w Premium up mid-teens OE -12%	▼	Positive organic revenue growth, overall sales down double-digit (from high single)	▼	Mid-teens	=	Resilient Replacement demand; profitability protected by efficiencies and better distribution control

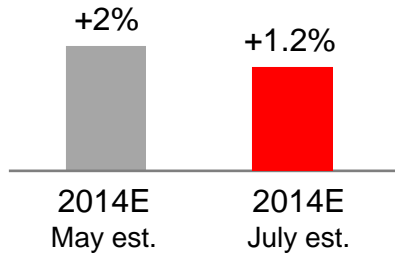
▲ ▼ = Δ vs previous guidance

* Before Restructuring Costs

SOUTH AMERICA: MAINTAINING SOLID PROFITABILITY THROUGH THE CURRENT CHALLENGING SCENARIO

Macro scenario: slower growth, supportive fundamentals

Brazil GDP growth* yoy

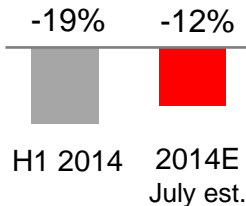


Structural positives: Brazil

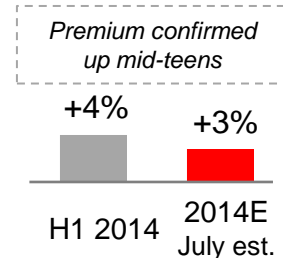
- Low fiscal debt: 67% of GDP vs the average 107% of mature countries
- High international reserves: 16% of GDP
- Low unemployment rate (~5%)
- Growing middle class: 53% of population (+100% in 10yrs)
- Rising investment intensity: 18% of GDP over the last 5 years

Tyre market: lower OE demand, resilient Replacement

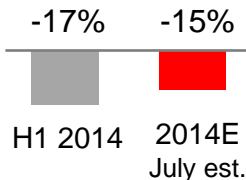
Car OE



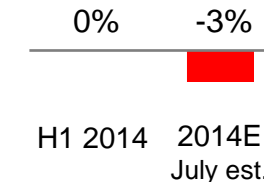
Car Replacement



Truck OE



Truck Replacement



- Lower vehicle production: lower export demand, limited fiscal benefits/credit, low consumer confidence
- Replacement benefits from past 4 years of car parc expansion; replacement rate >4yrs
- Growing high-value segments: Premium car and All Steel truck

Pirelli: solid profitability and confirmed market leadership

2014 Profitability: *Confirmed at "Mid-Teens"*

Our levers to offset market weakness

- **CAR OE**: working closely with Car Manufacturers as they Premiumize their portfolio
- **CAR Replacement**: strengthening Premium positioning through new services and product launches
- **Increasing market coverage** through our integrated retail network (+20% POS vs 2012)
- **Truck**:
 - Accelerated introduction of 01 Series
 - Upgrading our current offer by leveraging on present and future partnerships
- **Efficiency**:
 - De-complexity program on-going
 - Acceleration of action plan on SG&A cost optimization

* IHS Global Insight July 2014

FY 2014 TARGETS CONFIRMED

at constant consolidation perimeter*

Better Premium growth and unchanged focus on value counterbalance lower growth in Industrial

2014 targets
May 2014

2014 targets
Update August 2014

Steel Cord FY 2014
Included in discontinued
operations**

Revenues	~6.2 €/bln	Confirmed	~90 €/mln vs third parties
• Volumes	> +5%	~ +4.5%	
- o/w Premium	> +14%	> +16%	
• Price/mix	~ +4% / ~ +5%	Confirmed	
Organic revenues growth	> +9% / +10%	> +8.5% / +9.5%	
• Foreign Exchange	~ -9% / ~ -10%	~ -8.5% / ~ -9.5%	
Total revenues growth	~ +1%	Confirmed	
EBIT post restructuring	~850 €/mln	Confirmed	~10 €/mln
• Restructuring costs	50 €/mln	Confirmed	
Capex	<400 €/mln	Confirmed	
Net cash flow before dividends	>250 €/mln	Confirmed	
NFP	~ 1.2 €/bln	Confirmed	≥ 200 €/mln cash in after deal closing

* 2014 data includes contribution of Steel Cord business

** Formerly part of Industrial Business

2014 CONSUMER & INDUSTRIAL TARGETS UPDATE

at constant consolidation perimeter*

Consumer Business

	2014 targets May 2014	2014 targets Update August 2014
Revenues	~4.6	~4.7
• Volumes	> +6%	> +6.5%
- o/w Premium	> +14%	> +16%
• Price/mix	+4% / +4.5%	+4.5% / +5.5%
• Forex	~ -8% / ~ -9%	~ -7.5% / ~ -8.5%
EBIT % before restructuring	~15%	≥15%

Industrial Business

	2014 targets May 2014	2014 targets Update August 2014	Steel Cord business Discontinued
Revenues	~ 1.6	~ 1.5	~90 €/mln vs third parties
• Volumes	~ +4% / ~ +4.5%	-2%	
• Price/mix	+5.0% / +6.0%	+4.0% / +5.0%	
• Forex	-11.5% / -12.5%	-11.0% / -11.5%	
EBIT % before restructuring	~14%	≥ 13.5%	~10 €/mln EBIT

* 2014 data includes contribution of Steel Cord business

2014 PROFITABILITY GUIDANCE CONFIRMED

Benign raw material trends support investments in Premium growth and counterbalance lower Industrial volumes

Driver	2014 targets May 2014	2014 targets Update August 2014	Δ vs old guidance	2014 Expected Ebit confirmed ~850€/mln
	Impact	Impact		
Volumes	>+5% of sales	~ +4.5% of sales	-30€/mln Ebit	
Price/Mix	+4%/+5% of sales	<i>Confirmed</i>		
Forex	-9%/-10% of sales -110€/mln of Ebit	-8.5%/-9.5% of sales -105€/mln of Ebit	+5€/mln Ebit	
Efficiencies	+ ~90€/mln of Ebit	<i>Confirmed</i>		
Raw Materials	-75€/mln of Ebit	-35€/mln of Ebit	+40€/mln Ebit	
Other Input Costs	~ -125€/mln of Ebit	<i>Confirmed</i>		
D&A, Start-up Costs, Others	~ -60€/mln of Ebit	~ -75€/mln of Ebit	-15€/mln Ebit additional investments for Premium growth (marketing exp.)	
Minor businesses	~ -20€/mln 2014 expected Ebit	<i>Confirmed</i>		
Restructuring costs	~ -25€/mln of Ebit	<i>Confirmed</i>		

AGENDA



KEY MESSAGES



H1 2014 RESULTS



2014 OUTLOOK & TARGETS



H1 2014 TYRE OVERVIEW



APPENDIX

KEY TYRE RESULTS

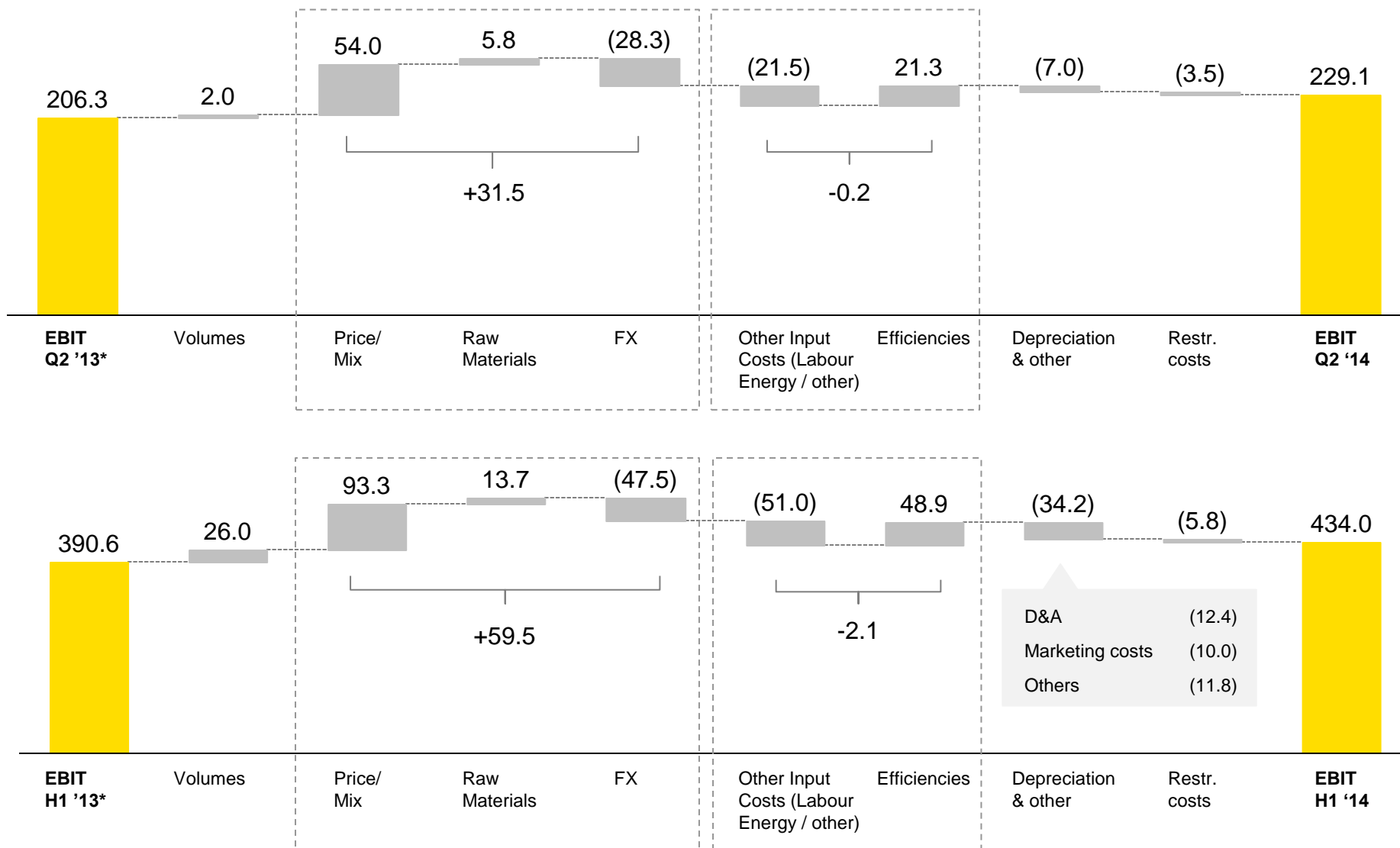
	Q1'14	Δ %	Q2'14	Δ %	H1'14	Δ %
Revenues	1,469.5	-2.4%	1,511.3	-3.6%	2,980.8	-3.0%
<i>o/w Premium</i>	639.9	+12.9%	645.2	+12.6%	1,285.1	+12.7%
EBITDA before restr. costs	280.3	+8.7%	308.7	+9.9%	589.0	+9.4%
<i>Margin</i>	19.1%	+2.0pp	20.4%	+2.5pp	19.8%	+2.3pp
EBIT before restr. costs	210.3	+12.2%	236.1	+12.6%	446.4	+12.4%
<i>Margin</i>	14.3%	+1.8pp	15.6%	+2.2pp	15.0%	+2.1pp
EBIT	204.9	+11.2%	229.1	+11.1%	434.0	+11.1%
<i>Margin</i>	13.9%	+1.7pp	15.2%	+2.0pp	14.6%	+1.9pp

Q2 2014 Highlights

- Delivering on our value strategy, stepping ahead towards 2014 targets
- Solid organic growth led by Consumer in Europe, Asia Pacific and Russia, offsetting slower Industrial and OE in South America
- Premium exceeding expectations supports price/mix growth and mitigates Forex volatility
- Quality growth and efficiencies underpin margin expansion: +2 pp at 15.2%

Revenue drivers	Q1'14	Q2'14	H1'14
Δ Price/Mix	4.6%	6.0%	5.3%
Δ Volumes	3.8%	-0.2%	1.8%
<i>o/w Premium</i>	22.2%	20.9%	21.6%
Δ Revenues (before exchange rate impact)	8.4%	5.8%	7.1%
Δ Exchange Rate	-10.8%	-9.4%	-10.1%

PIRELLI TYRE OPERATING PERFORMANCE



* Restated with Steel Cord among discontinued operations

CONSUMER BUSINESS: PIRELLI PERFORMANCE

	Q1 '14	Δ %	Q2'14	Δ %	H1'14	Δ %
Revenues	1,128.7	1.1%	1,159.6	+1.8%	2,288.3	1.5%
<i>o/w Premium</i>	639.9	12.9%	645.2	+12.6%	1,285.1	12.7%
<i>% revenues</i>	56.7%	+5.9p.p.	55.6%	+5.3p.p.	56.2%	+5.7p.p.
EBITDA before Restr. Costs	219.4	+12.6%	245.1	+20.4%	464.5	+16.6%
<i>Margin</i>	19.4%	+2.0p.p.	21.1%	+3.2p.p.	20.3%	+2.6p.p.
EBIT before Restr. costs	162.7	+17.9%	186.8	+27.3%	349.5	+22.8%
<i>Margin</i>	14.4%	+2.0p.p.	16.1%	+3.2p.p.	15.3%	+2.7p.p.
EBIT	158.8	+16.8%	181.3	+25.7%	340.1	+21.4%
<i>Margin</i>	14.1%	+1.9p.p.	15.6%	+2.9p.p.	14.9%	+2.5p.p.

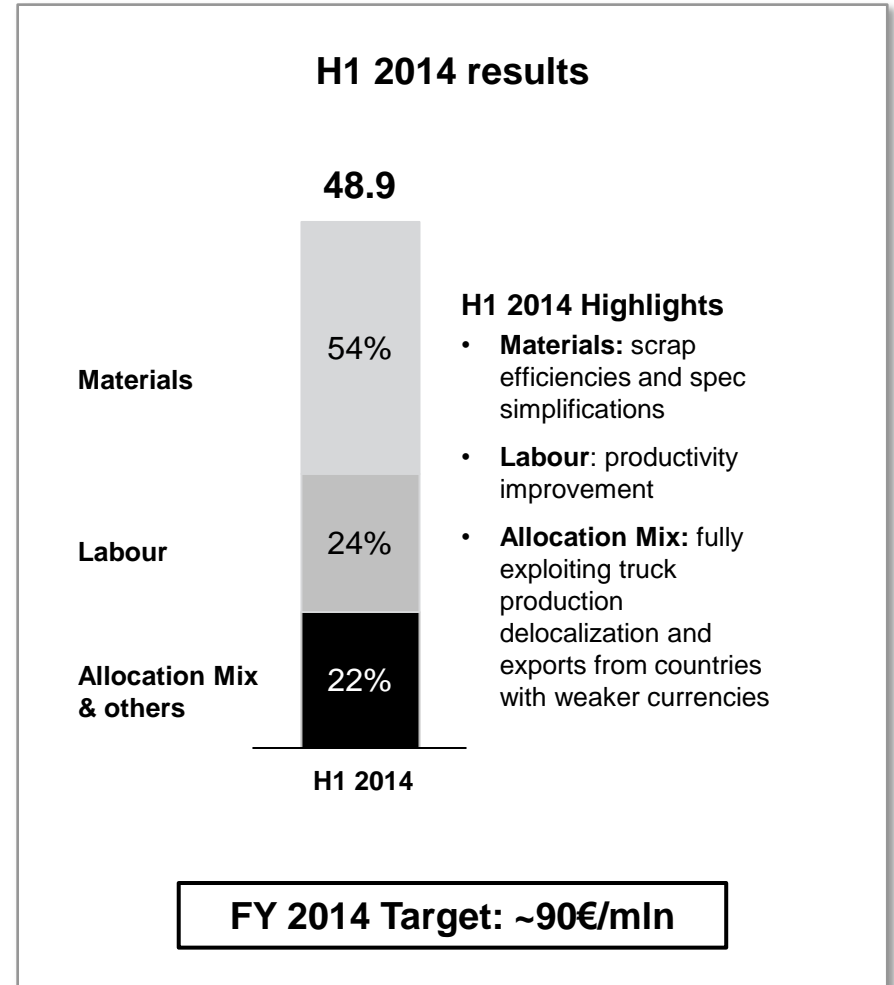
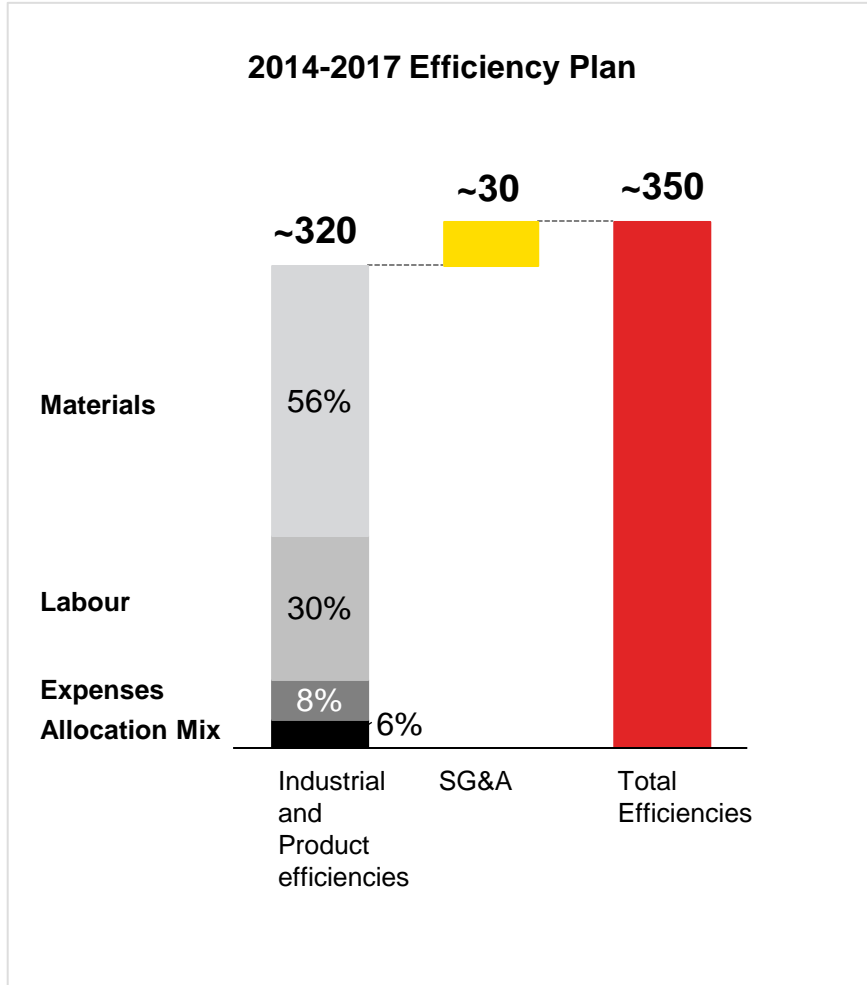
Revenue drivers	Q1'14	Q2'14	H1'14
Δ Price/Mix	4.4%	5.8%	5.2%
Δ Volumes	5.9%	4.3%	5.1%
<i>o/w Premium</i>	22.2%	20.9%	21.6%
Δ Revenues (before exchange rate impact)	10.3%	10.1%	10.3%
Δ Exchange Rate	-9.2%	-8.3%	-8.8%

INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

	Q1'14	Δ %	Q2'14	Δ %	H1'14	Δ %
Revenues	340.8	-12.2%	351.7	-18.1%	692.5	-15.3%
EBITDA before Restr. Costs	60.9	-3.3%	63.6	-17.7%	124.5	-11.3%
Margin	17.9%	+1.7%	18.1%	+0.1%	18.0%	+0.8%
EBIT before Restr. costs	47.6	-3.8%	49.3	-21.7%	96.9	-13.9%
Margin	14.0%	+1.3pp	14.0%	-0.7p.p.	14.0%	+0.2p.p.
EBIT	46.1	-4.6%	47.8	-23.0%	93.9	-14.9%
Margin	13.5%	+1.1pp	13.6%	-0.9p.p.	13.6%	+0.1p.p.

Revenue drivers	Q1'14	Q2'14	H1'14
Δ Price/Mix	5.4%	6.5%	5.9%
Δ Volumes	-2.2%	-12.2%	-7.4%
Δ Revenues (before exchange rate impact)	3.2%	-5.7%	-1.5%
Δ Exchange Rate	-15.4%	-12.4%	-13.8%

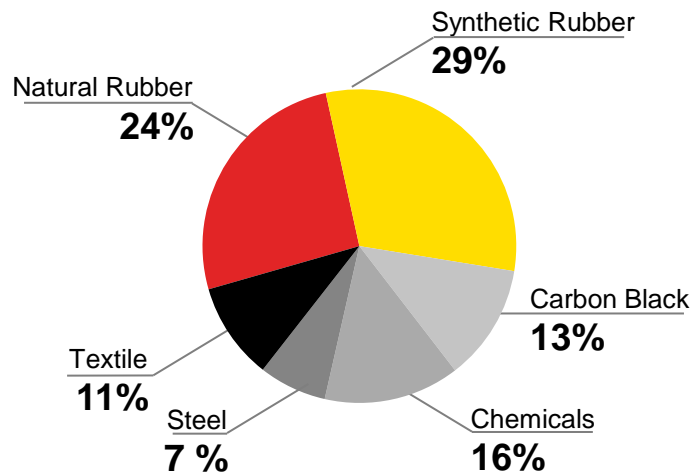
EFFICIENCY PROGRAM: 54% OF 2014 TARGET ALREADY REACHED IN H1



2014 RAW MATERIAL GUIDANCE

Breakdown FY 2013

(based on purchase cost)



37%

Raw mat. cost
on sales

Guidance 2014

(March 2014)

Average Cost of
Goods Sold
€/Mln

	2013A	2014E	Δ yoy	2014E	Δ yoy
Natural Rubber TSR20 (\$/ton)	~2,700	~ 2,250	+80	~2,100	+105
Brent Oil (\$/barrell)	109	110	-5	110	-5
Butadiene EU (€/ton)	~ 1,300	~ 1,100	+25	~1,030	+35
FX (R\$, TRY, EGP, US\$)			~(-175)		~(-170)
TOTAL			(75)		(35)

Guidance 2014

(August 2014)

AGENDA



H1 2014 RESULTS

2014 OUTLOOK & TARGETS

TYRE BUSINESS H1 2014 OVERVIEW

APPENDIX

PIRELLI GROUP – Q2 14 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli tyre		Other		Pirelli & C. Cons.	
	Q2'13*	Q2'14	Q2'13	Q2'14	Q2'13*	Q2'14
SALES	1,567.9	1,511.3	7.5	2.4	1,575.4	1,513.7
EBITDA before Restr. Costs	280.8	308.7	(4.5)	(3.2)	276.3	305.5
<i>% of sales</i>	17.9%	20.4%			17.5%	20.2%
EBIT before Restr. Costs	209.7	236.1	(5.5)	(3.9)	204.2	232.2
<i>% of sales</i>	13.4%	15.6%			13.0%	15.3%
Restructuring Costs	(3.4)	(7.0)	(0.8)	0.0	(4.2)	(7,0)
EBIT	206.3	229.1	(6.3)	(3.9)	200.0	225.2
<i>% of sales</i>	13.2%	15.2%			12.7%	14.9%
Results from equity participations					(17.7)	(13.4)
Financial Income/charges					(45.5)	(48.8)
EBT					136.8	163.0
Fiscal Charges					(59.0)	(61.3)
Net income before discontinued operations					77.8	101.7
Discontinued operations					0.2	0.6
Net Income					78.0	102.3
Attributable Net Income					78.5	99.4
Net Financial Position					1,732.6	1,935.2

* Restated with Steel Cord among discontinued operations

PIRELLI GROUP – H1 14 RESULTS

Profit & Loss and Net Financial Position by Business Unit

	Pirelli tyre		Other		Pirelli & C. Cons.	
	H1'13*	H1'14	H1'13	H1'14	H1'13*	H1'14
SALES	3,072.9	2,980.8	17.1	6.1	3,090.0	2,986.9
EBITDA before Restr. Costs	538.6	589.0	(9.3)	(6.2)	529.3	582.8
<i>% of sales</i>	17.5%	19.8%			17.1%	19.5%
EBIT before Restr. Costs	397.2	446.4	(11.3)	(7.5)	385.9	438.9
<i>% of sales</i>	12.9%	15.0%			12.5%	14.7%
Restructuring Costs	(6.6)	(12.4)	(0.8)	(0.3)	(7.4)	(12.7)
EBIT	390.6	434.0	(12.1)	(7.8)	378.5	426.2
<i>% of sales</i>	12.7%	14.6%			12.2%	14.3%
Results from equity participations					(24.3)	(27.2)
Financial Income/charges					(103.5)	(92.1)
EBT					250.7	306.9
Fiscal Charges					(101.2)	(114.8)
Net income before discontinued operations					149.5	192.1
Discontinued operations					0.6	1.7
Net Income					150.1	193.8
Attributable Net Income					151.4	189.1
Net Financial Position					1,732.6	1,935.2

* Restated with Steel Cord among discontinued operations

PIRELLI GROUP CASH FLOW

€/Mln	1Q'13*	2Q'13*	1H'13*	1Q'14	2Q'14	1H'14
EBIT before restructuring costs	181.7	204.2	385.9	206.7	232.2	438.9
Depreciation / Amortization	71.3	72.1	143.4	70.6	73.3	143.9
Net investments	(79.7)	(84.3)	(164.0)	(65.3)	(78.3)	(143.6)
Working capital / other variations	(468.4)	(12.2)	(480.6)	(686.6)	77.4	(609.2)
OPERATING CASH FLOW	(295.1)	179.8	(115.3)	(474.6)	304.6	(170.0)
Financial income (expenses)	(58.0)	(45.5)	(103.5)	(43.3)	(48.8)	(92.1)
Taxes	(42.2)	(59.0)	(101.2)	(53.5)	(61.3)	(114.8)
NET OPERATING CASH FLOW	(395.3)	75.3	(320.0)	(571.4)	194.5	(376.9)
Financial investments/divestments	-	-	-	(3.7)	2.8	(0.9)
Property divestments	-	-	-	-	-	-
Net cash flow discontinued operations	(22.6)	7.8	(14.8)	(8.7)	10.5	1.8
Retail development investments	-	-	-	-	-	-
Sino Wire Consolidation Impact	-	-	-	-	-	-
Other dividends paid	-	(3.1)	(3.1)	(0.5)	(2.9)	(3.4)
Cash-out for restructuring	(7.5)	(5.2)	(12.7)	(12.9)	(5.9)	(18.8)
Exchange rate differentials / Others	(49.6)	29.5	(20.1)	(46.0)	(11.9)	(57.9)
NET CASH FLOW before dividend paid	(475.0)	104.3	(370.7)	(643.2)	187.1	(456.1)
Dividends paid	-	(156.7)	(156.7)	-	(156.7)	(156.7)
NET CASH FLOW	(475.0)	(52.4)	(527.4)	(643.2)	30.4	(612.8)

* Restated with Steel Cord among discontinued operations

PIRELLI BALANCE SHEET

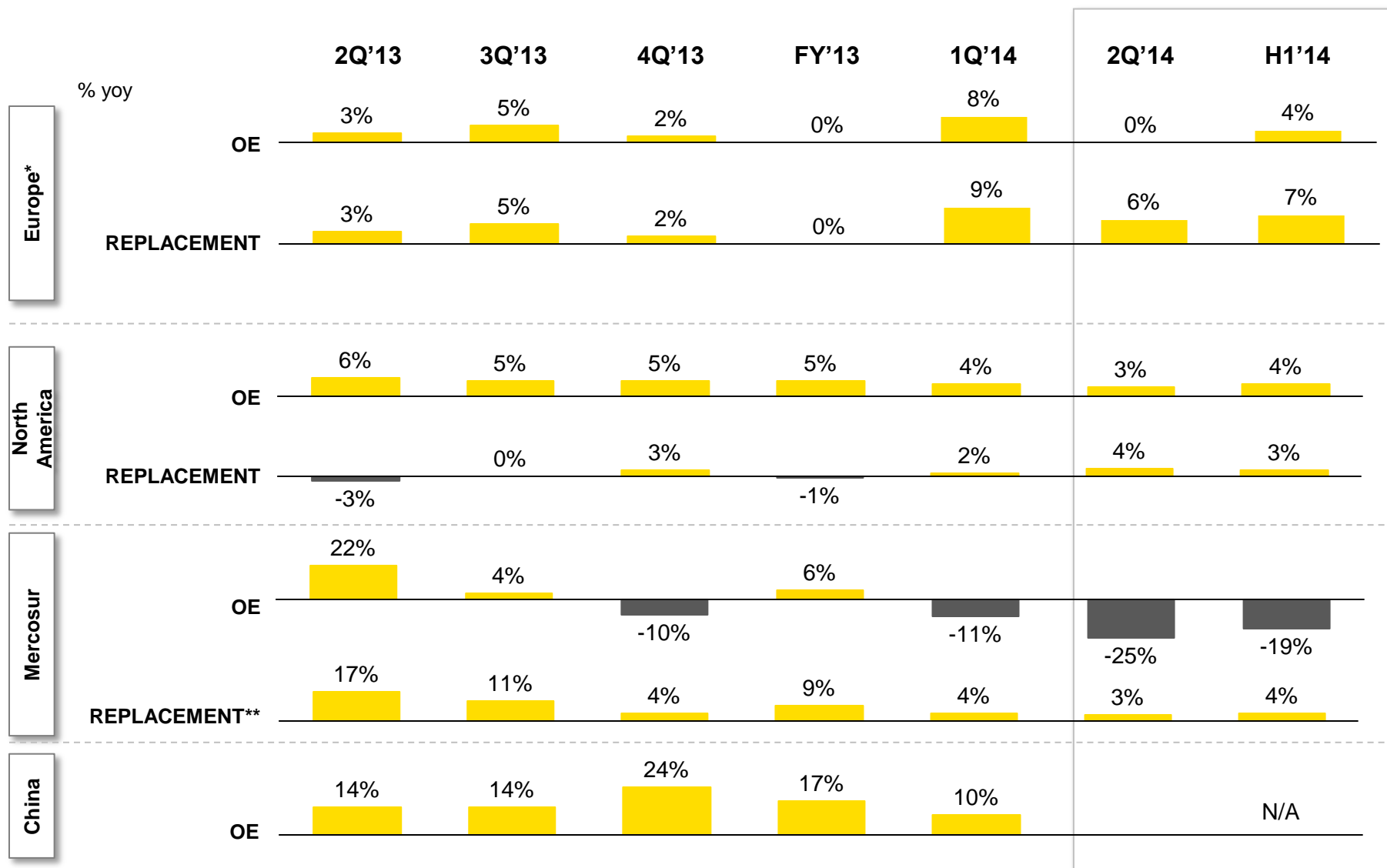
€/Mln	FY'13	1H'14
FIXED ASSETS	4,043.0	3,896.8
Inventories	987.3	1,043.7
Trade receivables	666.4	974.0
Trade payables	(1,244.5)	(1,053.7)
NET OPERATING WORKING CAPITAL	409.2	964.0
Other payables/receivables	3.0	40.9
Net Working Capital	412.2	1,004.9
Net Invested Capital of discontinued operations	-	143.9
NET INVESTED CAPITAL	4,455.2	5,045.6
Total Net Equity	2,436.6	2,371.3
Provisions	696.2	739.1
Provisions of discontinued operations	-	12.1
Net Financial Position	1,322.4	1,935.2
Net Financial Position of discontinued operations	-	40.4
TOTAL	4,455.2	5,045.6
Attributable Net Equity	2,376.1	2,300.3
Equity per Share (euro)	4.87	4.71

PIRELLI GROUP – 2013 QUARTERLY RESULTS – RESTATED*

	Q2'13		Q2'13		Q3'13		Q4'13		FY'13	
	Tyre	Group	Tyre	Group	Tyre	Group	Tyre	Group	Tyre	Group
SALES	1,505.5	1,541.6	1,567.9	1,575.4	1,489.4	1,496.4	1,468.3	1,474.6	6,030.6	6,061.0
EBITDA before Restr. Costs	257.8	253.0	280.8	276.3	282.3	277.5	299.0	288.2	1,119.9	1,095.0
<i>% on sales</i>	<i>17.1%</i>	<i>16.7%</i>	<i>17.9%</i>	<i>17.5%</i>	<i>19.0%</i>	<i>18.5%</i>	<i>20.4%</i>	<i>19.5%</i>	<i>18.6%</i>	<i>18.1%</i>
EBIT before Restr. Costs	187.5	181.7	209.7	204.2	213.3	207.5	228.6	216.8	839.1	810.2
<i>% on sales</i>	<i>12.5%</i>	<i>12.0%</i>	<i>13.4%</i>	<i>13.0%</i>	<i>14.3%</i>	<i>13.9%</i>	<i>15.6%</i>	<i>14.7%</i>	<i>13.9%</i>	<i>13.4%</i>
Restructuring Costs	(3.2)	(3.2)	(3.4)	(4.2)	(7.6)	(7.8)	(9.2)	(10.3)	(23.4)	(25.5)
EBIT	184.3	178.5	206.3	200.0	205.7	199.7	219.4	206.5	815.7	784.7
<i>% on sales</i>	<i>12.2%</i>	<i>11.8%</i>	<i>13.2%</i>	<i>12.7%</i>	<i>13.8%</i>	<i>13.3%</i>	<i>14.9%</i>	<i>14.0%</i>	<i>13.5%</i>	<i>12.9%</i>
Results from equity participations		(6.6)		(17.7)		1.4		(55.4)		(78.3)
Financial Income/charges		(58.0)		(45.5)		(43.3)		(46.2)		(192.9)
EBT		113.9		136.8		157.8		104.9		513.5
Fiscal Charges		(42.2)		(59.0)		(50.3)		(57.5)		(209.0)
Net income before discontinued ops.		71.7		77.8		107.5		47.4		304.5
Discontinued operations		0.4		0.2		0.5		0.9		2.0
Net Income		72.1		78.0		108.0		48.3		306.5
Attributable Net Income		72.9		78.5		110.7		41.4		303.6
Net Financial Position		1,680.2		1,732.6		1,970.9		1,322.4		1,322.4

* Restated excluding Steel Cord among discontinued operations

CONSUMER BUSINESS: KEY MARKET TRENDS

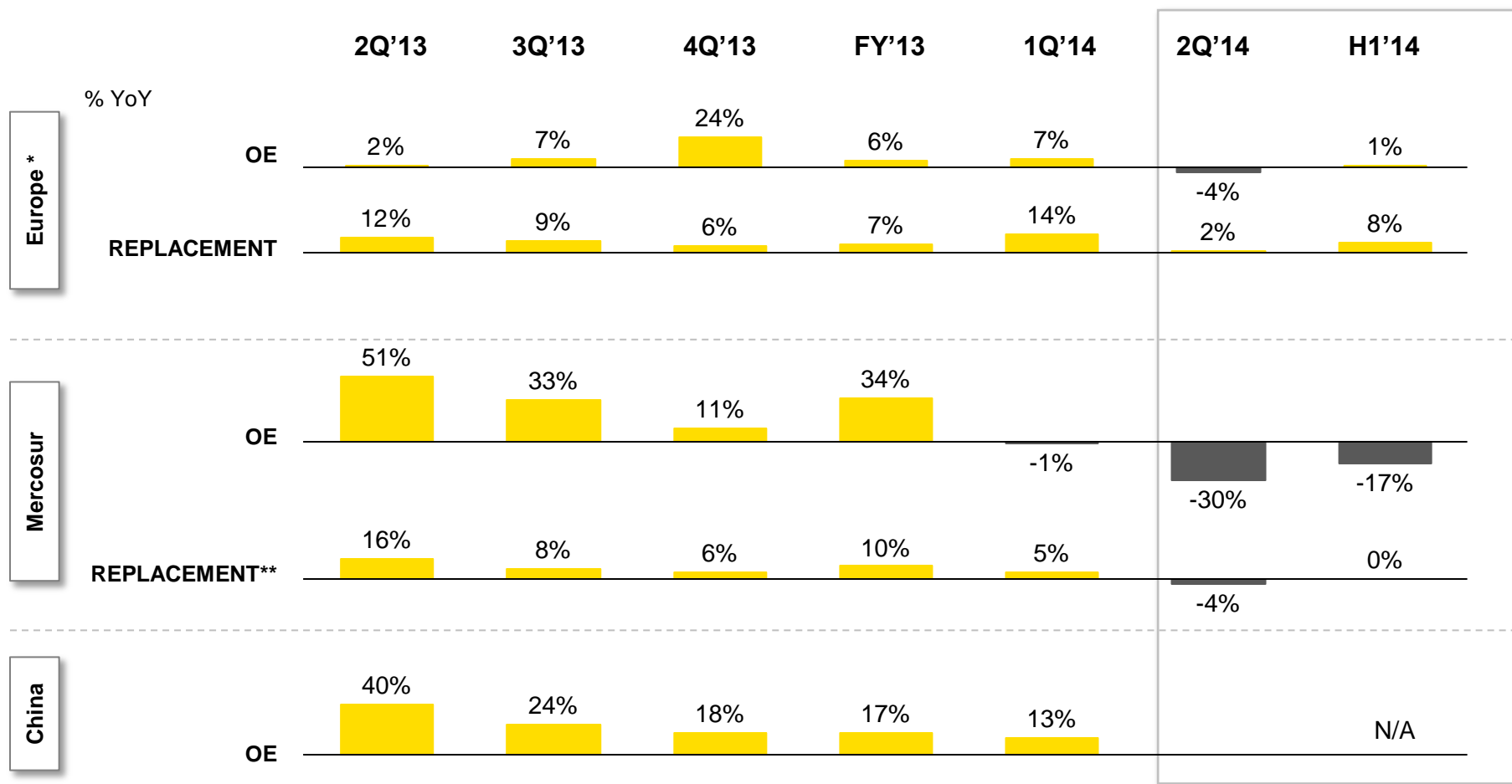


* Turkey included, Russia excluded

** 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



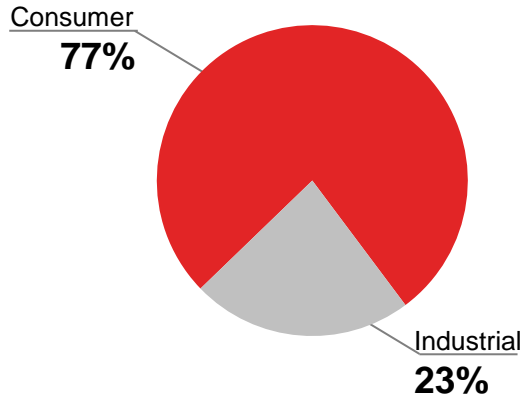
* Turkey included and Russia excluded

** Non-pool members' imports not included

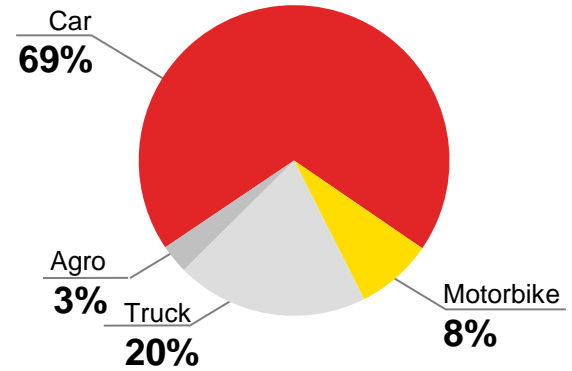
Source: Major external data providers for each Region and Pirelli estimates

H1 2014 PIRELLI TYRE MIX

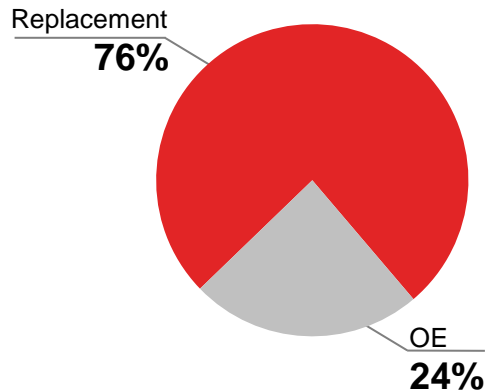
Sales by Business



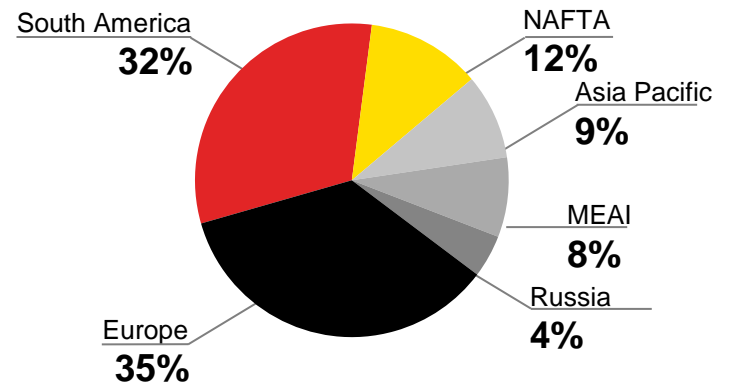
Sales by Segment



Sales by Channel

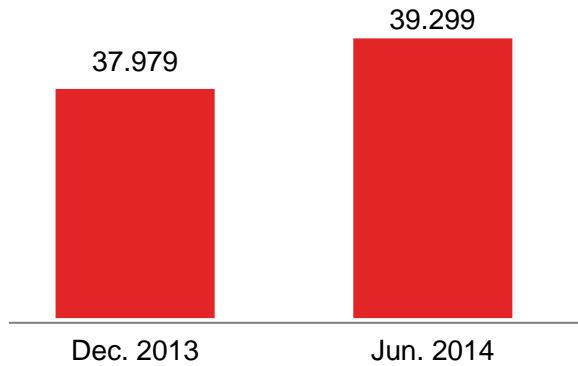


Sales by Region

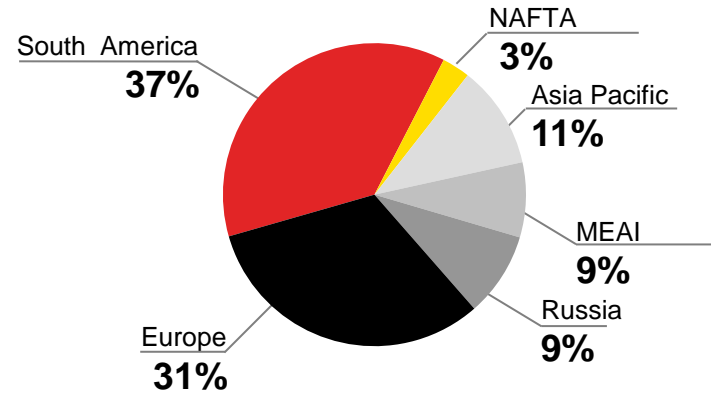


JUNE 2014 PIRELLI PEOPLE

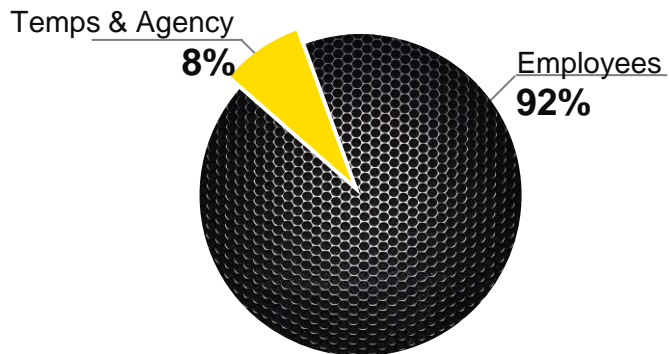
Headcount



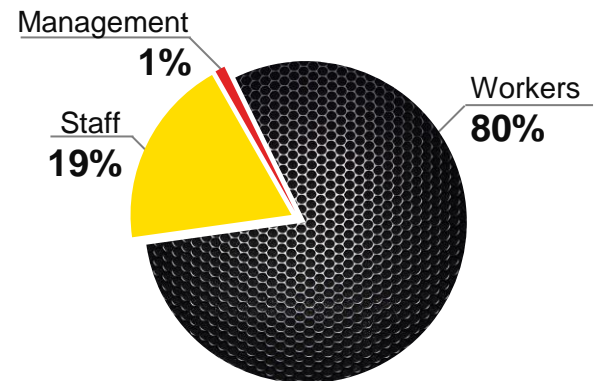
People by Region



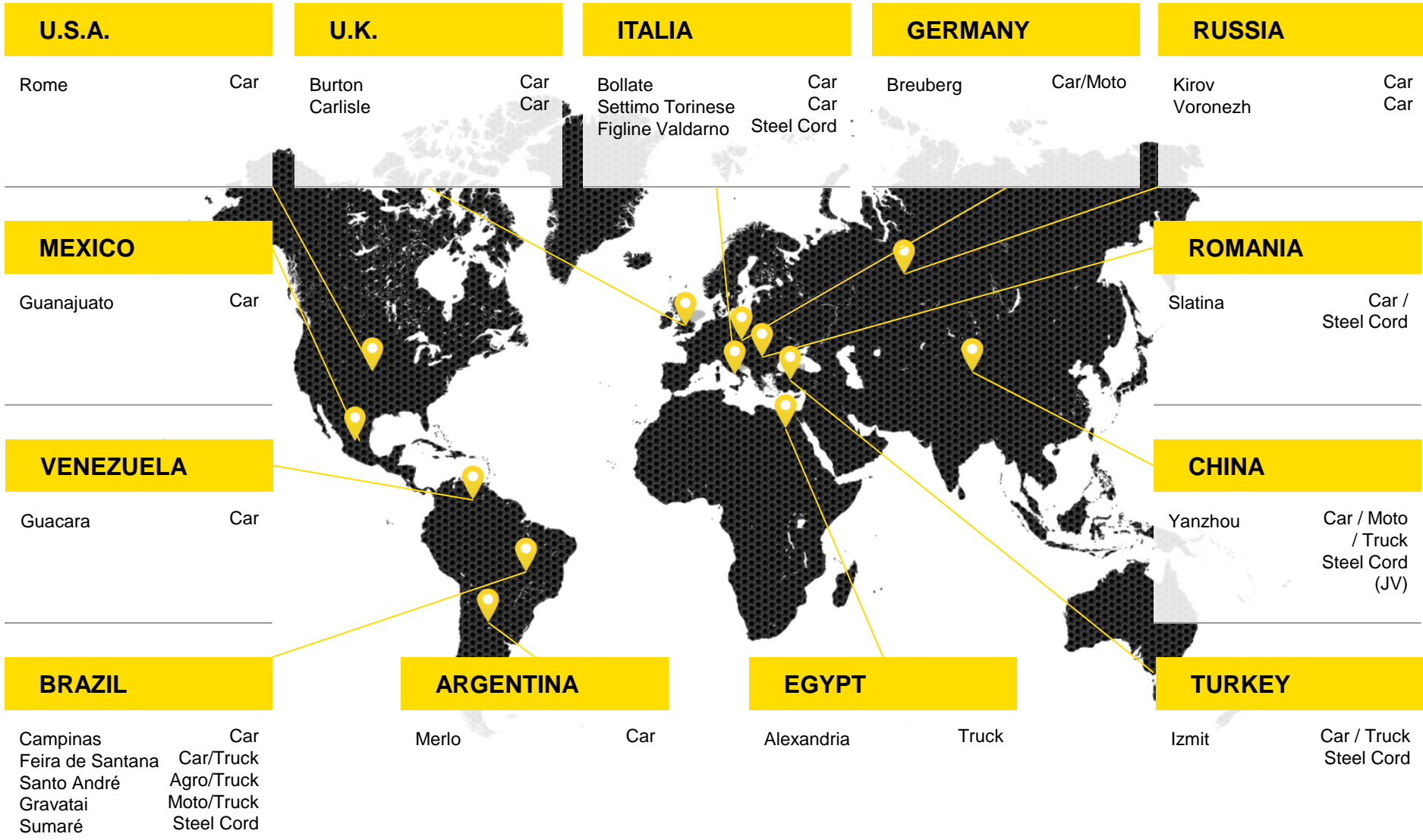
People by Contract



People by Cluster

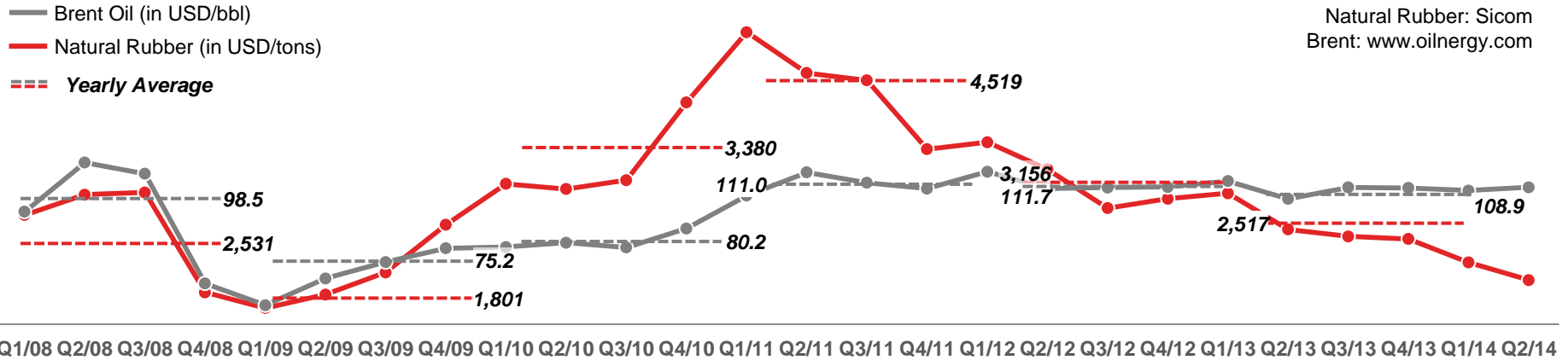


PIRELLI PLANTS IN THE WORLD



RAW MATERIALS

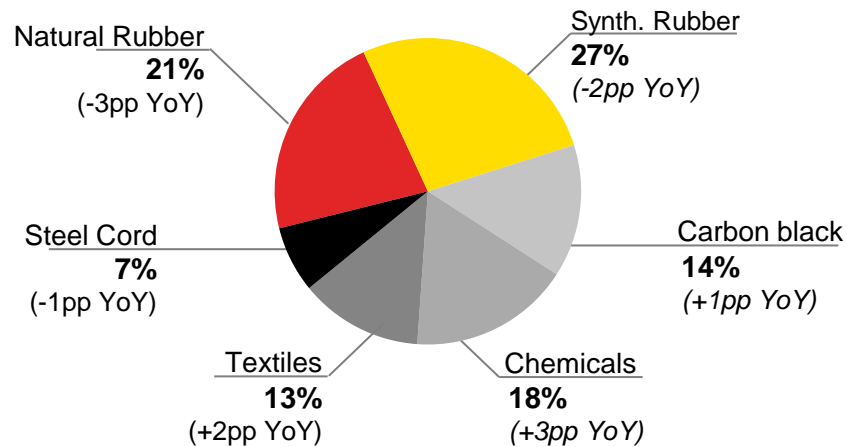
Raw Material Price Trend



H1 2014 Mix (Based on Purchasing Cost)

36%

Raw mat. costs on sales



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