



PIRELLI FY 2012 RESULTS

MARCH 11, 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

2012 FULL YEAR RESULTS

2012 TYRE BUSINESS OVERVIEW

2013 OUTLOOK AND GUIDANCE

APPENDIX

KEY MESSAGES

2012

The **global Tyre market shrank**, with **Europe** losing the **biggest share** against all expectations.

In these times of hardship and market downsizing, we worked up our value ladder:

- ▶ **19% ROI and**
- ▶ **Top Profitability, ~13%**

2013 Outlook

The **global Tyre market** is expected to pick up at **low single-digit Premium** growth rates confirmed to be **3 times higher** than non-Premium
Faster Premium penetration in **emerging markets**

Actions

In **mature markets**, further leverage of the **link Premium OE and Replacement**

In **emerging markets**, seize the **many Premium growth opportunities**

Cost reduction initiatives accelerating in the Regions

PIRELLI 2012 FY RESULTS VS TARGETS

€/bln

	FY'12 Targets (Nov.'12)	FY'12 Results	Δ YoY
Total Revenues	~ 6.15	6.07	+7.4%
Russia JV	~ 0.2	172 €/mln	
Däckia	~ 50 €/mln	55 €/mln	
Foreign Exchange	-1%	-1%	
Organic Revenues	~ 5.9	5.84	+3.4%
Volumes	-5% / -5.5%	-5.6%	
o/w Premium	+17% / +18%	+12.6%	
Price/mix	>+11%	+10.2%	
Restructuring Costs	30 €/mln	39 €/mln	
EBIT	~800 €/mln	780.8 €/mln	+34.2%
EBIT margin	~13%	12.9%	+2.6 pp
o/w Russia	low single-digit	low single-digit	
Raw Material Headwind	50€/mln	51 €/mln	
Efficiency	~ 155€/mln	158 €/mln	
Tax rate	~36%	34%	
Capex	< 0.5	471 €/mln	
NFP	≥1.2 after dividends	1,205 €/mln	
ROI *		19.2% (vs. 20% '12-'14 Ind. Plan)	

* EBIT / Average Net Invested Capital

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PIRELLI KEY FINANCIAL RESULTS

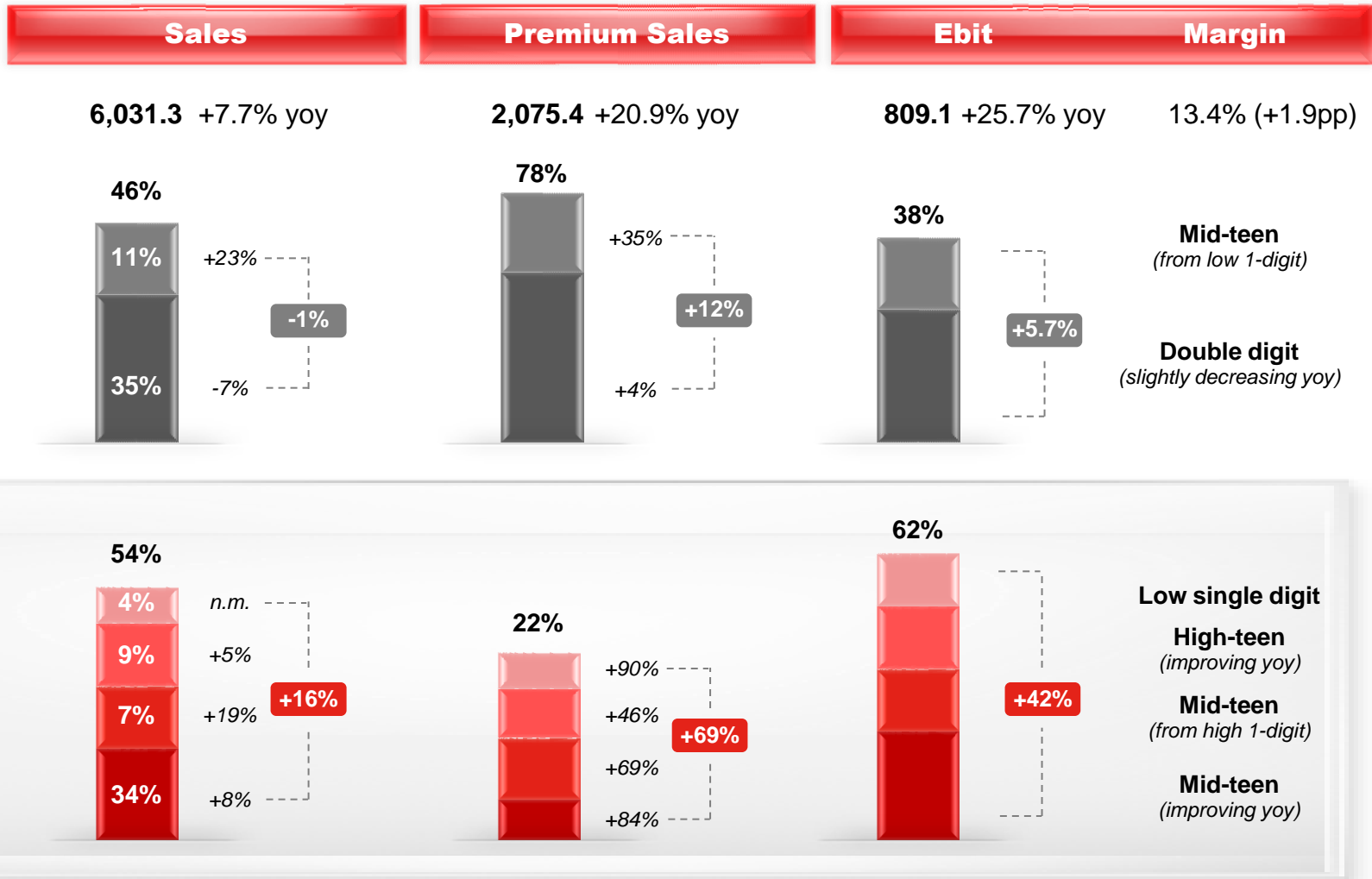
€/mln	FY12	FY11	Δ YoY	4Q12	4Q11	Δ YoY	4Q result key drivers
Revenues	6,071.5	5,654.8	7.4%	1,497.4	1,389.0	7.8%	<ul style="list-style-type: none"> ▶ Sale trend sustained by emerging markets and Premium sales ▶ Approx. 10 €/mln extra restructuring costs vs. guidance for the transition of Settimo plant into pure Premium production and Steel Cord production shut down in Germany ▶ Strong Ebit growth (~6x sale growth) fuelled by improved mix, efficiency gains and lower raw material tailwind ▶ Tax rate in line with previous year, below 2012 FY guidance (~36%). ▶ Adj. net income up ~50% despite write-downs on equity holdings (17.5 €/mln Mediobanca) ▶ Continued investments in Premium capacity, mix and ramp-up projects ▶ 663.6 €/mln of cash flow generation in Q4
<i>Organic growth*</i>			8.4%			9.8%	
EBITDA before Restr. Costs	1,091.2	834.6	30.7%	281.3	203.5	38.2%	
<i>Margin</i>	18.0%	14.8%		18.8%	14.7%		
EBIT before Restr. Costs	819.9	609.7	34.5%	208.9	148.6	40.5%	
<i>Margin</i>	13.5%	10.8%	+2.7 p.p.	14.0%	10.7%	+3.3 p.p.	
Restructuring Costs	(39.1)	(27.8)		(20.9)	(17.9)		
EBIT	780.8	581.9	34.2%	188.0	130.7	43.8%	
<i>Margin</i>	12.9%	10.3%	+2.6 p.p.	12.6%	9.4%	+3.2 p.p.	
PBT	599.1	475.1	26.1%	121.0	85.0	42.4%	
<i>Tax Rate</i>	33.5%	34.2%	-0.7 p.p.	25.7%	27.9%	-2.2 p.p.	
Adj. Net Income (Income before disc. operations and special items)	398.2	312.6	27.4%	89.9	61.3	46,7%	
Deferred tax assets		128.1			128.1		
Attributable Net Income	393.8	451.6		87.5	196.3		
Investments**	470.9	626.2		143.5	230.0		
Net Debt	1,205.2	737.1					

(*) Excluding exchange rate effects

(**) Tangible and intangible investments

2012 REGIONAL TYRE PROFITABILITY DRIVERS

Premium & RDE exposure drive the race



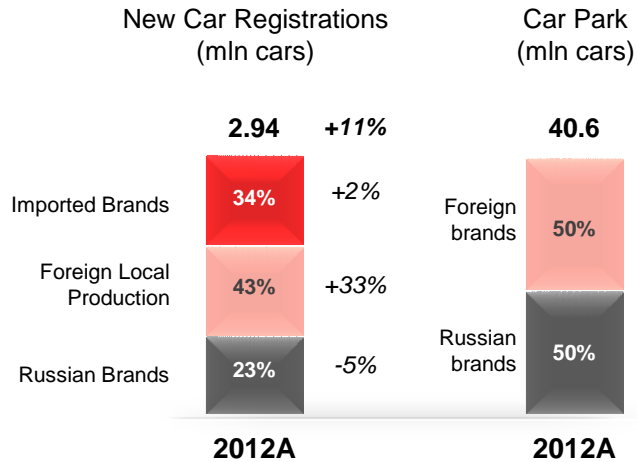
*Import sales included



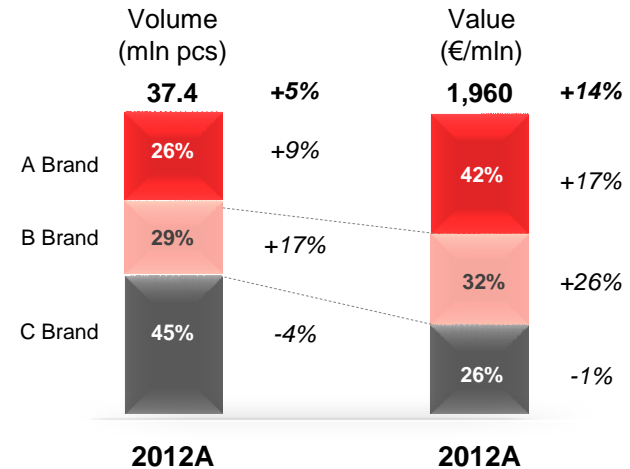
AN UPDATE ON RUSSIAN JV

Premium robustness confirmed

Car Market



Tyre Replacement Market



Activities in line with 3Y plans

Industrial side

2012 A

Capex (Eur Mln)	85	<input checked="" type="checkbox"/>
Capacity (mls pcs)	8	<input checked="" type="checkbox"/>
New Product Industrialization	35	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

Commercial side

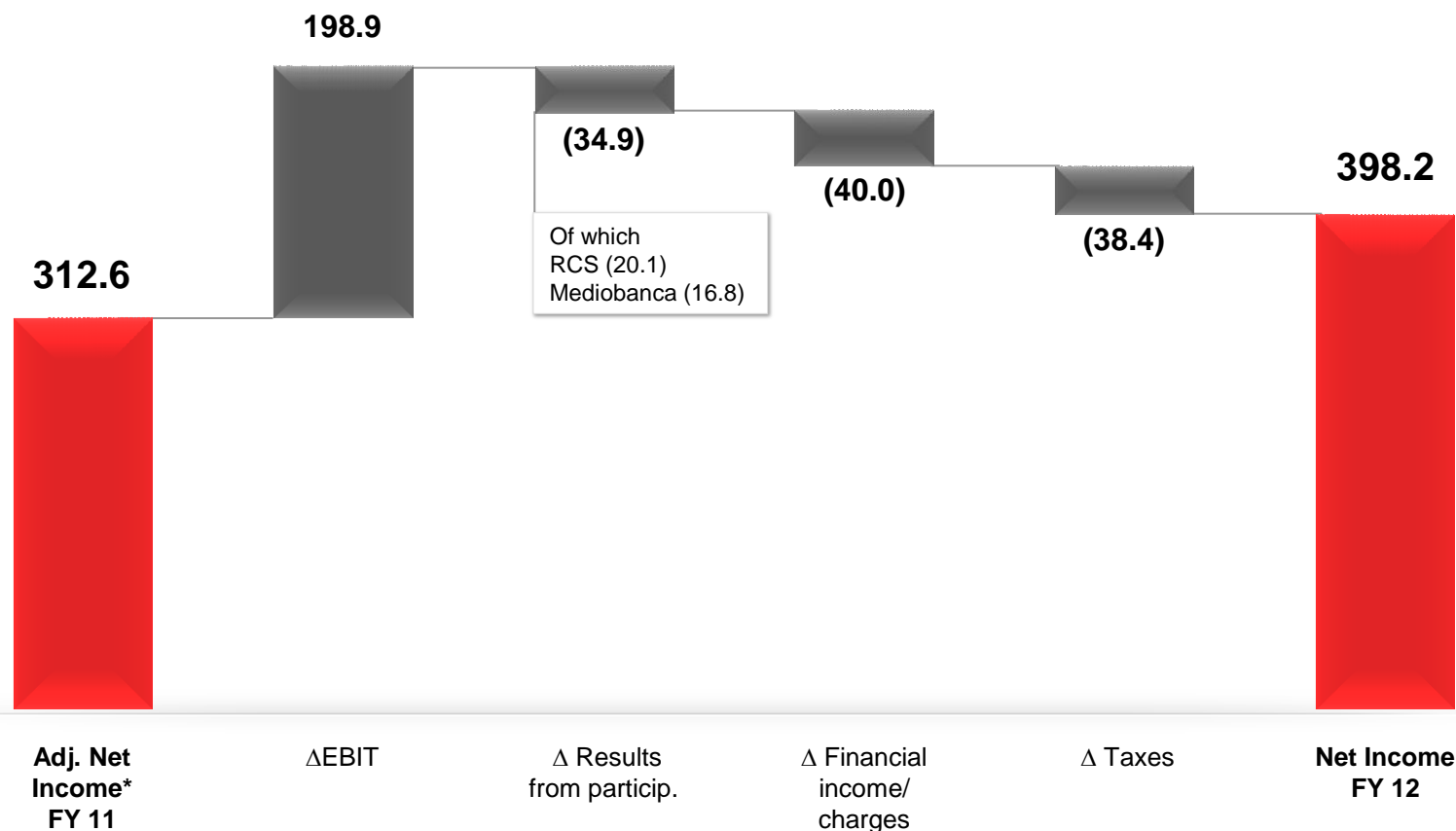
2012 A

Pirelli Retail presence	800	<input checked="" type="checkbox"/>
Pirelli Qualified Premium Stores	480	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Brand Consideration Growth vs 2011	+25%	<input checked="" type="checkbox"/>

Source: Avtostat, Pirelli estimates

PIRELLI NET INCOME FY12 VS FY11

€/mln



* Before deferred tax assets (positive impact)

DIVIDEND PROPOSAL

▶ Dividend Proposal to be filed with Pirelli & C. AGM (May 13th, 2013)

	DPS (€)			N° of Shares*	Dividends (€/mln)	
	2012	2011	Δ % yoy		2012	Δ % yoy
Ordinary shares	0.320	0.270	18.5	475	152.1	
Savings shares	0.390	0.340	14.7	12	4.6	
					156.7	18
					40% of Group Net Income post minorities	

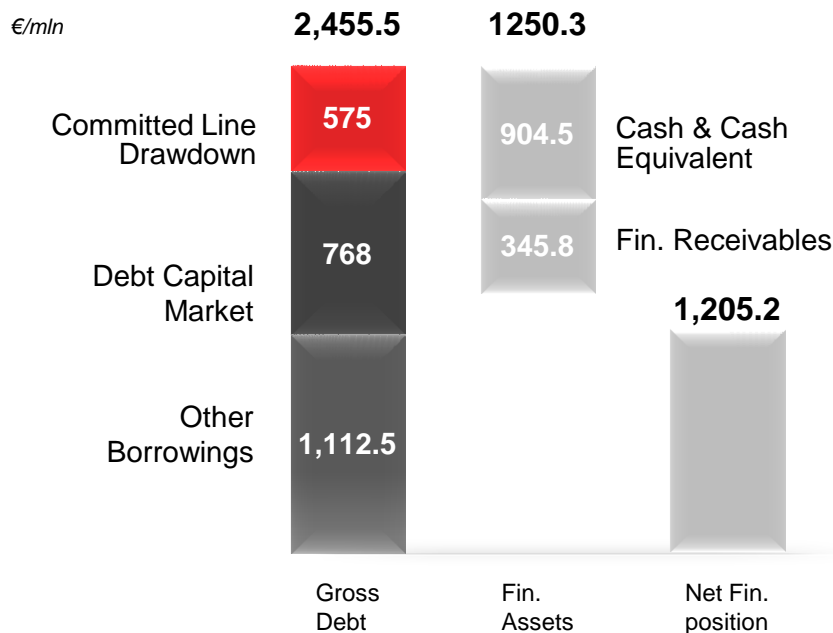
▶ Dividend Payment Schedule

- ▶ Coupon Detachment: May 20th, 2013
- ▶ Dividend Payment: starting May 23rd, 2013

(*) Net of treasury shares: 0.35 mln ordinary shares and 0.40 savings shares.

PIRELLI DEBT STRUCTURE AS OF DEC 31, 2012

Net Financial Position

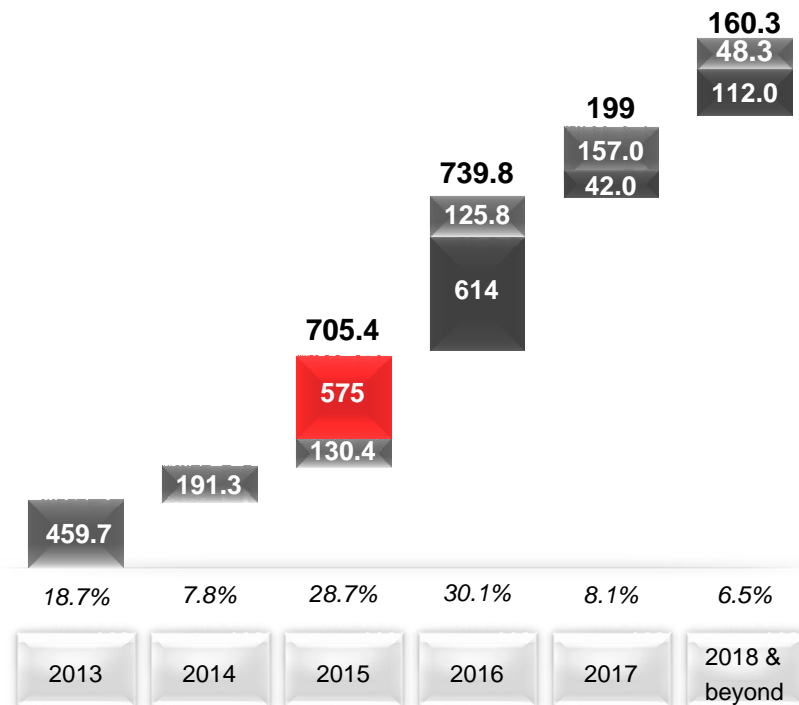


Gross Debt maturity as of Dec. 31 2012

LIQUIDITY PROFILE

€/mln	
Liquidity position	904.5
Total committed lines not drawn due 2015	625.0
Liquidity Margin	1,529.5

Gross Debt Maturity

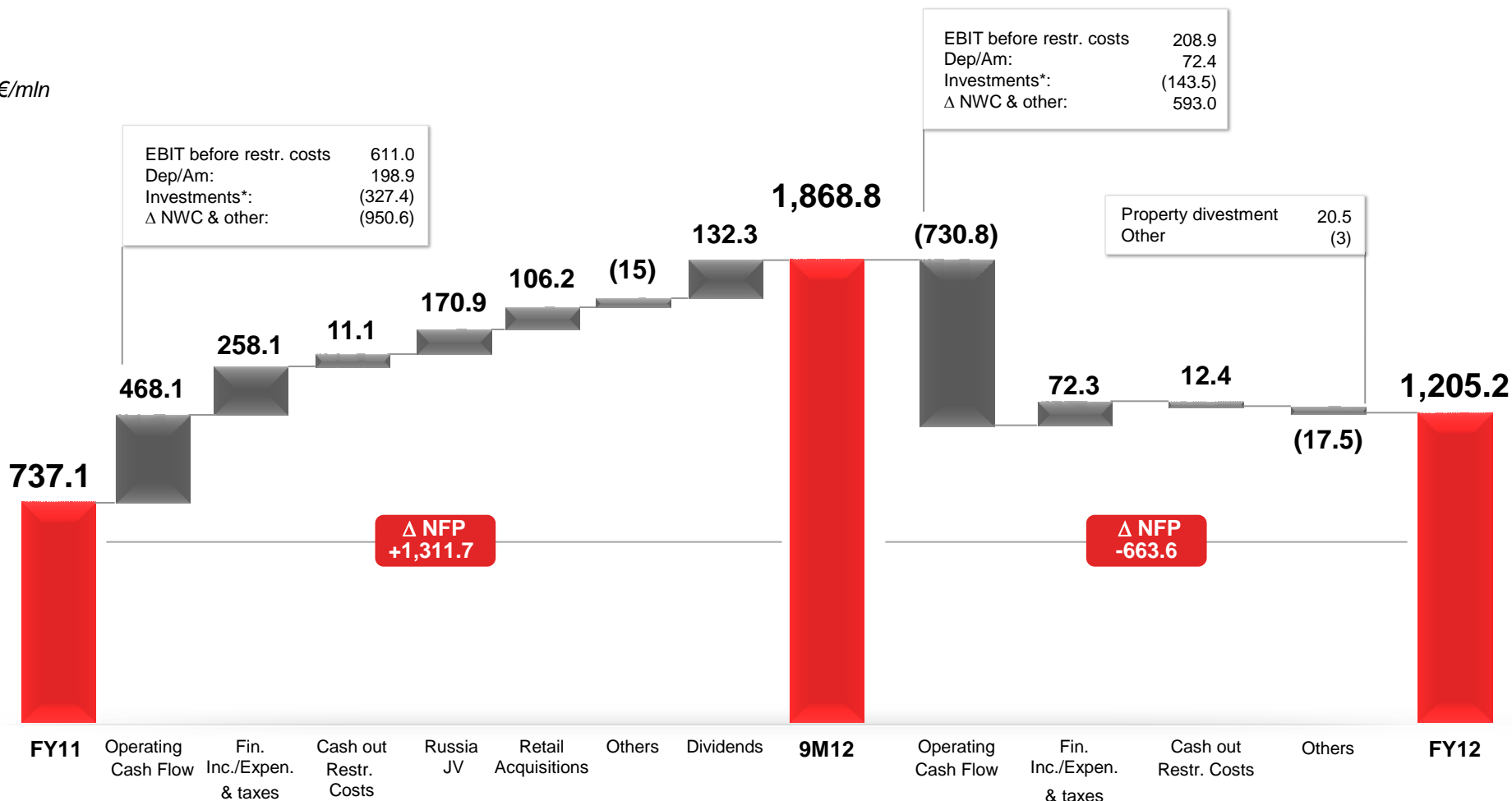


DEBT PROFILE

- ▶ > 70% of the debt maturity beyond 2014
- ▶ Cost of debt 5.79%
- ▶ Gross debt profile ~75% Fixed and ~25% Floating
- ▶ Average debt maturity: ~ 2.9 years

PIRELLI FY12 NET FINANCIAL POSITION

€/mln



(*)Tangible and intangible investments



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KEY TYRE RESULTS

€/mln	1Q'12	YoY%	2Q'12	YoY%	3Q'12	YoY%	Q4'12	YoY%	FY '12	YoY%
Revenues	1,542.6	+11.4%	1,457.7	+5.9%	1,542.6	5.3%	1,488.4	8.2%	6,031.3	7.7%
o/w Premium	584.4	+29.2 %	502.5	+22.3%	525.4	18.9%	463.1	12.8%	2,075.4	20.9%
EBITDA (before restruct. costs)	280.3	+33.8%	275.9	+26.3%	269.5	18.0%	289.1	31.9%	1,114.8	27.3%
margin	18.2%	+3.1p.p.	18.9%	+3.0pp	17.5%	+1.9pp	19.4%	+3.5p.p.	18.5%	+2.9p.p.
EBIT (before restruct. costs)	217.2	+39.6%	210.9	+28.1%	202.4	16.3%	217.7	30.0%	848.2	28.2%
margin	14.1%	+2.9p.p.	14.5%	+2.5pp	13.1%	+1.2pp	14.6%	+2.4p.p.	14.1%	+2.3p.p.
Restructuring Costs	(2.0)		(12.5)		(3.7)		(20.9)		(39.1)	
EBIT	215.2	+41.2%	198.4	+23.9%	198.7	15.6%	196.8	23.4%	809.1	25.7%
margin	14.0%	+3.0 p.p.	13.6%	+2.0pp	12.9%	+1.2pp	13.2%	+1.6p.p.	13.4%	+1.9p.p.

4Q highlights

- ▶ **Strong Top Line** thanks to better organic growth (+1.2 pp vs Q3), Russian JV and Däckia contribution
- ▶ **Ebit margin improvement:** +1.6 pp QoQ, +1.9 pp YoY

Main drivers

- ▶ **Stable pricing** - despite difficult European market - and continued **mix improvements**
- ▶ Volume rebound in Industrial business and growth in Consumer in emerging markets
- ▶ **Premium growth** in line with previous quarter, with buoyant emerging markets (~60% YoY)

	1Q'12	2Q'12	3Q'12	Q4'12	FY'12
Revenue drivers					
Δ Price/Mix	+16.5%	+11.1%	+8.6%	+5.4%	+10.2%
Δ Perimeter*	+2.2%	+3.5%	+4.1%	+6.6%	+4.1%
Δ Volume	-7.4%	-7.6%	-6.2%	-1.8%	-5.6%
o/w Premium	+15.8%	+12.3%	+12.5%	+11.1%	+12.6%
Δ Rev. (before exchange rate impact)	+11.3%	+7.0%	+6.5%	+10.2%	+8.7%
Δ Exchange Rate	+0.1%	-1.1%	-1.2%	-2.0%	-1.0%

* Russian JV and retail acquisitions

FY 2012 RESULTS



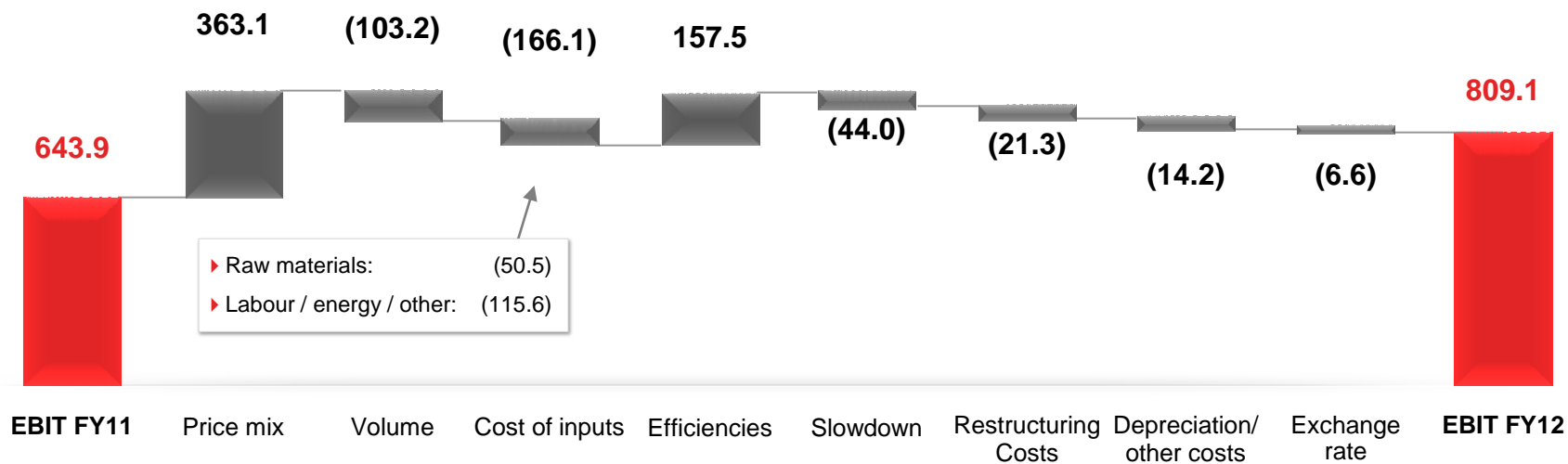
PIRELLI TYRE FY12 OPERATING PERFORMANCE

€/mln

4Q 2012



FY 2012



CONSUMER BUSINESS: PIRELLI PERFORMANCE

€/mln	1Q'12	YoY%	2Q'12	YoY%	3Q'12	YoY%	4Q'12	YoY%	FY'12	YoY%
Revenues	1,151.8	+17.1%	1,078.3	+12.5%	1,116.8	+9.0%	1,072.9	11.9%	4,419.8	12.6%
o/w Premium		+29.2%		+22.3%		+18.9%		12.8%		
EBITDA (before restruct. costs)	232.1	+44.5%	213.4	+25.8%	206.7	+20.0%	207.1	24.1%	859.3	28.4%
<i>margin</i>	20.2%	+3.9p.p.	19.8%	+2.1p.p.	18.5%	+1.7p.p.	19.3%	+1.9p.p.	19.4%	+2.3p.p.
EBIT (before restruct. costs)	184.0	+53.7%	163.1	+26.8%	154.4	+17.8%	151.0	18.8%	652.5	28.8%
<i>margin</i>	16.0%	+3.8 p.p.	15.1%	+1.7p.p.	13.8%	+1.0p.p.	14.1%	+0.8p.p.	14.8%	+1.9p.p.
EBIT	182.1	+55.9%	153.2	+23.3%	151.4	+17.4%	144.3	19.8%	631.0	28.6%
<i>margin</i>	15.8%	+3.9p.p.	14.2%	+1.2 p.p.	13.6%	+1.0 p.p.	13.4%	+0.8p.p.		

	1Q'12	2Q'12	3Q'12	4Q'12	FY'12 YoY%
Revenue drivers					
Δ Price/Mix	+18.8%	+13.6%	+9.6%	+6.4%	+12.0%
Δ Volume	-5.1%	-5.3%	-6.1%	-4.0%	-5.2%
o/w Premium	+15.8%	+12.3%	+12.5%	+11.1%	+12.6%
o/w Non Premium	-14.5%	-11.5%	-13.4%	-10.0%	-12.2%
Δ Perimeter*	+2.7%	+4.4%	+5.9%	+9.5%	+5.8%
Δ Rev. (before exchange rate impact)	+16.4%	+12.7%	+9.4%	+11.9%	+12.6%
Δ Exchange Rate	+0.7%	-0.2%	-0.4%	0.0%	0.0%

* Russian JV and retail acquisitions

INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

€/mln	1Q'12 YoY%	2Q'12 YoY%	3Q'12 YoY%	4Q'12 YoY%	FY'12 YoY%
Revenues	390.8 -2.6%	379.4 -9.1%	425.8 -3.3%	415.5 -0.3%	1,611.5 -3.9%
EBITDA (before restruct. costs)	48.2 -1.4%	62.5 +28.3%	62.8 +11.7%	82.0 +56.8%	255.5 +24.0%
<i>margin</i>	12.3% +0.1p.p.	16.5% +4.8p.p.	14.7% +1.9p.p.	19.7% +7.2p.p.	15.9% +3.6p.p.
EBIT (before restruct. costs)	33.2 -7.5%	47.8 +32.8%	48.0 +11.6%	66.7 +65.5%	195.7 +26.1%
<i>margin</i>	8.5% -0.4p.p.	12.6% +4.0p.p.	11.3% +1.5p.p.	16.1% +6.4p.p.	12.1% +2.8p.p.
EBIT (after restruct. costs)	33.1 -7.0%	45.2 +26.3%	47.3 +10.3%	52.5 +34.6%	178.1 +16.2%
<i>margin</i>	8.5% -0.4p.p.	11.9% +3.3p.p.	11.1% +1.4p.p.	12.6% +3.2p.p.	11.1% +2.0p.p.

	1Q'12	2Q'12	3Q'12	4Q'12	FY'12 YoY%
Revenue drivers					
Δ Price/Mix	+11.2%	+5.3%	+6.0%	+2.9%	+6.2%
Δ Volume	-12.3%	-11.3%	-6.2%	+3.1%	-6.5%
Δ Rev. (before exchange rate impact)	-1.1%	-6.0%	-0.2%	+6.0%	-0.3%
Δ Exchange Rate	-1.5%	-3.1%	-3.1%	-6.3%	-3.6%

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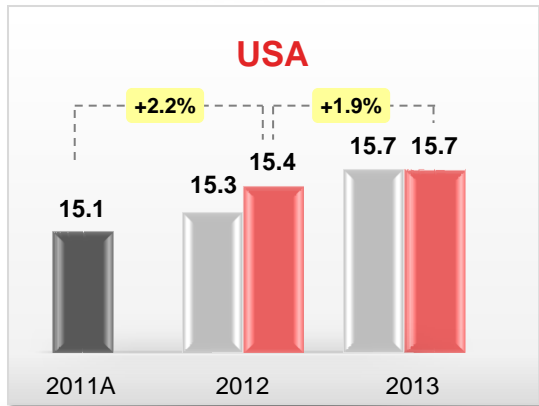
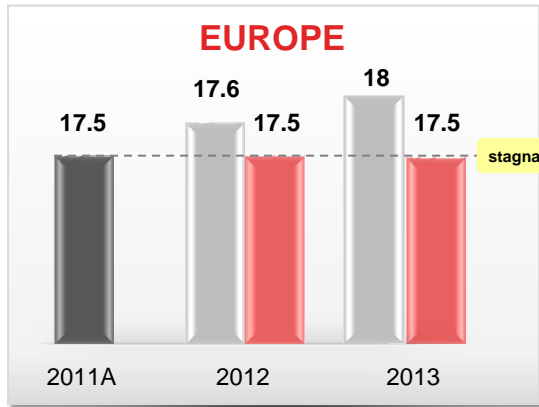
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MACROECONOMIC SCENARIO

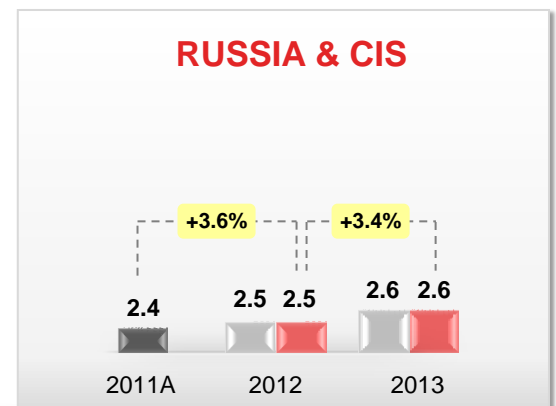
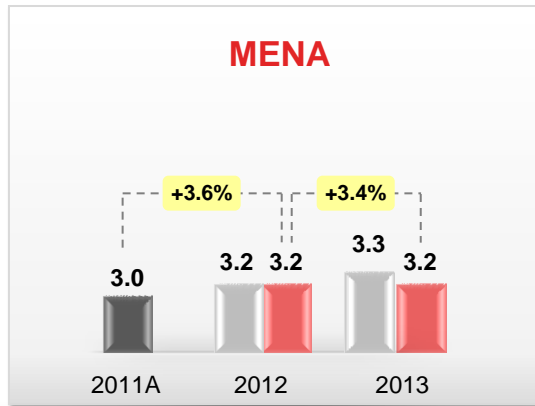
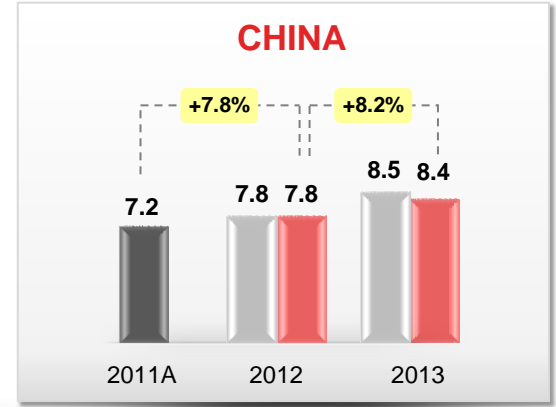
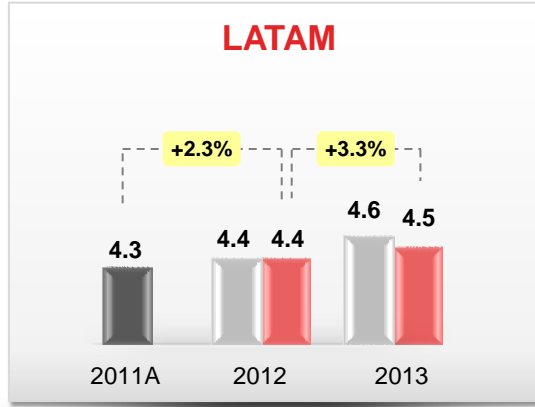
What has changed versus '12-'14 Industrial Plan

GDP*
(trillion USD)

MATURE



RDEs



- ▶ RDE's even more the engine of growth, accounting for ~72% of GDP growth in 2012 and 2013
- ▶ Europe the key miss in estimates '12-'13: a growth gap worth 600 \$ billion

New Estimate
 '12-'14 Ind. Plan

Source: Global Insight, Oct 2011 for '12-'14 Ind. Plan; Feb 2013 for new estimate

* Real GDP growth at constant 2011 USD



CAR TYRE MARKET SCENARIO

Positive growth trend in 2013

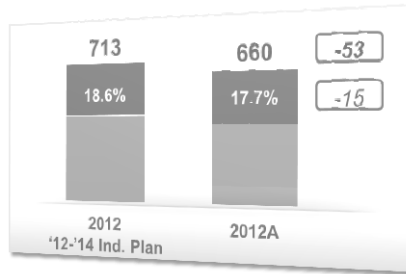
Mln pcs

Growth gap in 2012 estimate

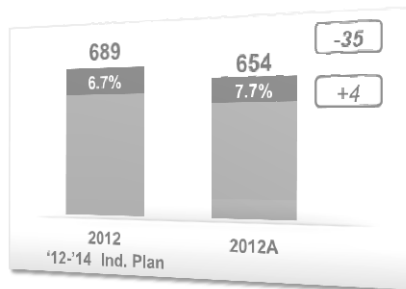
Worldwide



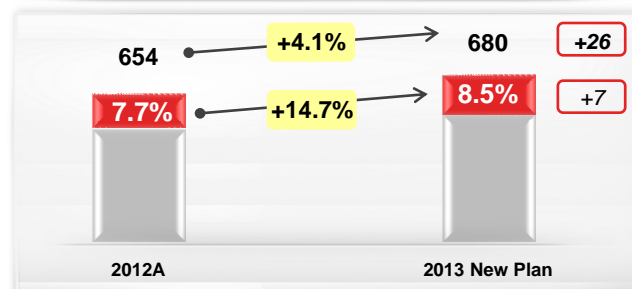
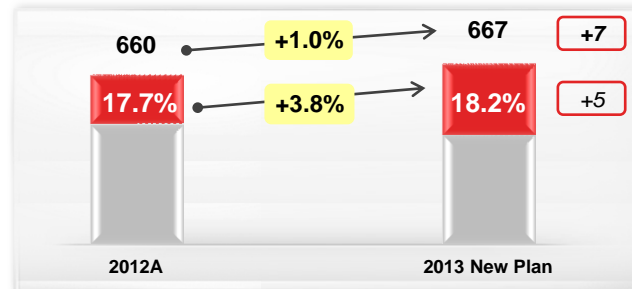
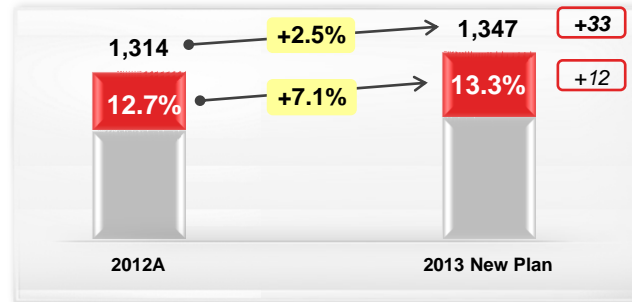
Mature



Emerging



Current growth expectations



- ▶ 2012 market rebased at a lower level, Premium above expectations in Emerging Markets
- ▶ Premium worth one third of growth in 2013, with increasing penetration in all Regions

Source: Local Pools, Pirelli estimate

Premium definition: WYZ speed codes, Run Flat, Motosport, SUV & Winter ≥ H

 Premium

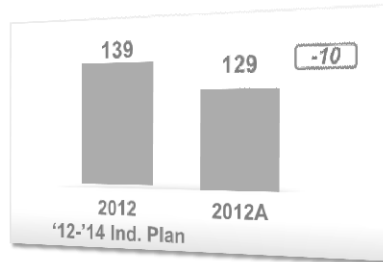
TRUCK RADIAL TYRE MARKET SCENARIO

Growth picking up in 2013

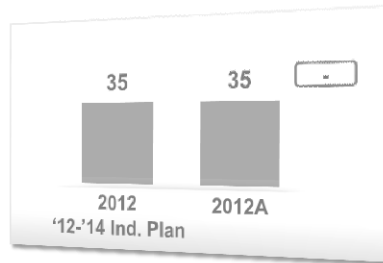
Mln pcs

Growth gap in 2012 estimate

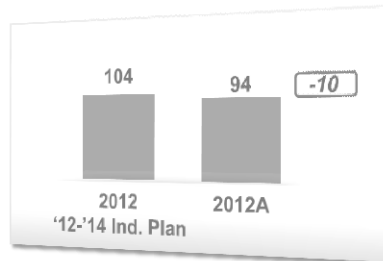
Worldwide



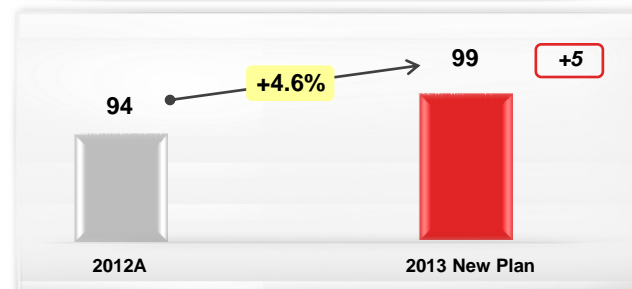
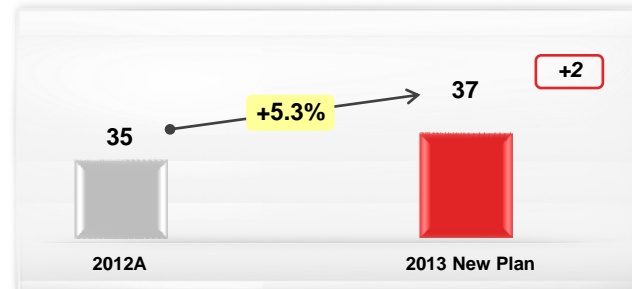
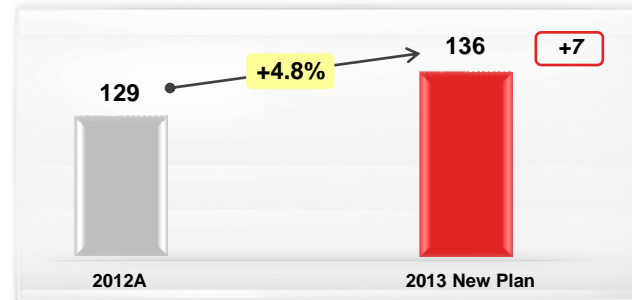
Mature



Emerging



Current growth expectations



- ▶ Weaker Asian Truck market in 2012, no impact on Pirelli sales due to low exposure
- ▶ Strong Emerging Markets in 2013 led by growth in Latam, Middle East Africa, and Russia

Source: Local Pools, Pirelli estimate




2013 OUTLOOK BY REGION (CAR)

		Pirelli Plan			
Region (Total Car market in Mln pcs)	Tyre market	Actions	Revenues trend	EBIT%	
Matures	Europe Total: 337 Premium % weight: Mid-twenties	<ul style="list-style-type: none"> Stable volumes with improving mix (Premium +3%) and growing price pressure 	<ul style="list-style-type: none"> Market share growth in top Premium segments supported by new product launches 	<ul style="list-style-type: none"> Basically stable 	<ul style="list-style-type: none"> Double-digit (stable YoY)
	NAFTA Total: 330 Premium % weight: Low-teens	<ul style="list-style-type: none"> Slow growth after a challenging 2012, Premium on a faster track (+6%) 	<ul style="list-style-type: none"> Strong marketing investments, leverage on new products Mexican factory quick ramp-up 	<ul style="list-style-type: none"> Low single digit growth 	<ul style="list-style-type: none"> Mid-teens (stable YoY)
Emergings	Russia Total: 64 Premium % weight: Double-digit	<ul style="list-style-type: none"> Keeping the positive pace of 2012, Premium outpacing the market (+16%) 	<ul style="list-style-type: none"> Switch toward Pirelli products, strong marketing investments New winter studded product line 	<ul style="list-style-type: none"> Double-digit growth (>+25%) 	<ul style="list-style-type: none"> Mid-single-digit (up YoY)
	South America Total: 85 Premium % weight: double-digit	<ul style="list-style-type: none"> Positive trend, Premium on the surge (+27%) 	<ul style="list-style-type: none"> Better channel coverage (mono and multi-brand, car dealers) New Ad campaign, sponsorship of Stock Car racing championship 	<ul style="list-style-type: none"> Mid-single-digit growth 	<ul style="list-style-type: none"> Mid-teens (stable YoY)
	MEAI Total: 93 Premium % weight: High-single-digit	<ul style="list-style-type: none"> All regional markets showing positive outlooks for 2013 (Premium +13%) 	<ul style="list-style-type: none"> Increase presence in retail channels and car dealers Premium: strong focus in all countries 	<ul style="list-style-type: none"> Basically stable 	<ul style="list-style-type: none"> High teens (up YoY)
	Asia Pacific Total: 438 Premium % weight: High-single-digit	<ul style="list-style-type: none"> Stable growth vs. 2012, stronger Premium increase (+12%) 	<ul style="list-style-type: none"> Continue to grow retail presence Premium OE local production Brand awareness consolidation 	<ul style="list-style-type: none"> Mid-single-digit growth 	<ul style="list-style-type: none"> High teens (up YoY)

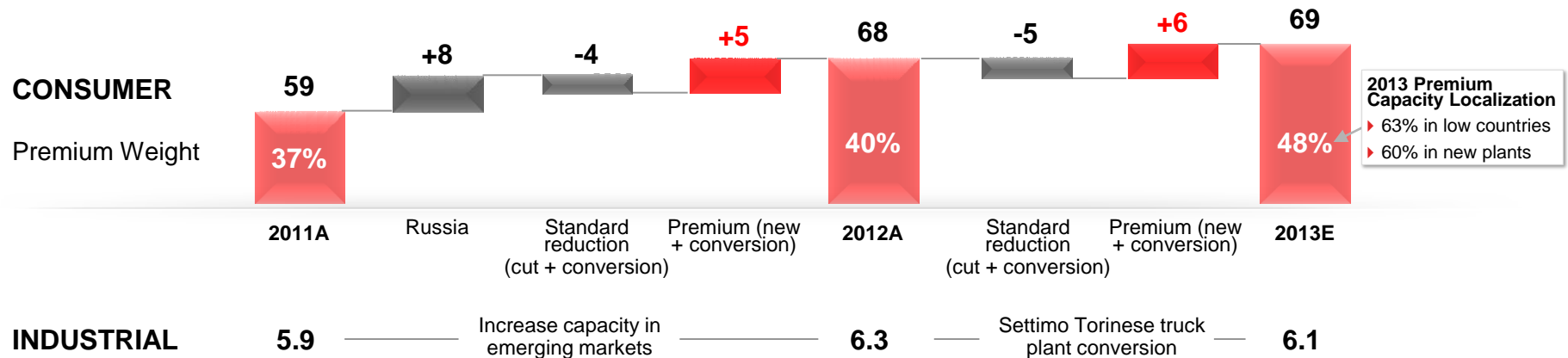
Source: Local Pools, Pirelli estimate

2013 CAPEX

Accelerating conversion to premium

€/bln	'11-'15 Ind. Plan.	'11A-'12A	'13E	2013 Main Projects
TOTAL CAPEX (Russia included)	<2.4	1.1	~0,4	
CAPEX by Destination				
Capacity	53%	54%	 36%	▶ New Premium capacity: Mexico, China, Romania, Settimo Torinese
Mix & Quality (mature plants)	26%	25%	 35%	▶ Start-up Indonesia (Moto)
Maintenance and Other	21%	28%	 29%	▶ Conversion of standard capacity into Premium
				▶ Improved Process reliability
				▶ Russia to comply with Pirelli Quality System

Capacity (mln pcs at year end)



PIRELLI 2013 TARGETS

€/bln

	2012 Actual	2013 Targets	Δ YoY
Revenues	6.07	~ 6.3 / <6.4	+4% / +5%
Volumes	-5.6%	~ +3% / ~ +4%	
Emerging markets	+0.5%	High single-digit	
Mature markets	-11.8%	~ flat	
o/w Premium	+12.6%	~13% / ~14%	
Price/mix	+10.2%	+4% / +5%	
Foreign Exchange	-1%	~ -4%	
EBIT *	780.8 €/mln	~810 / ~850 €/mln	
Capex	470.9 €/mln	~400 €/mln	
Net cash flow before dividends	-59** €/mln	>200 €/mln Before Prelios impact	
NFP	1,205 €/mln	< 1.2 before Prelios impact	
* Restructuring costs	-39.1€/mln	-30€/mln	
Minor business Ebit	-28.3€/mln	-20€/mln	

** before Russia, Däckia and Campneus acquisitions

2013 CONSUMER & INDUSTRIAL TARGETS

€/bn

CONSUMER BUSINESS

	2012 Actual	2013 Targets
Revenues	4.42	~ 4.6
Volumes	-5.2%	+3% / +4%
o/w Premium	+12.6%	~ +13% / ~ +14%
Price/mix	+12.0%	+4.5% / +5.5%
Forex	0%	< -3%
EBIT %	14.3%	>14%

INDUSTRIAL BUSINESS

	2012 Actual	2013 Targets
Revenues	1.61	~ 1.7
Volumes	-6.5%	+3.5% / +4.5%
Price/mix	+6.2%	+4% / +5%
Forex	-3.6%	-5%
EBIT %	+11.1%	~ 12%

2013 MAIN PROFITABILITY DRIVERS

Driver	Impact	Highlights
Volumes	+3% / +4% revenue growth	▶ Growth to come from Emerging Markets
Price/Mix	+4% / +5% revenue growth	▶ Price ~ flat, mix improvement our internal lever
Forex translation impact	-40 €/mIn impact on Ebit	▶ Weaker South American currencies , Egyptian and British Pound
Efficiency	+70 €/mIn	▶ Reaping the benefits of the programs started in 2012
Raw Materials	55 €/mIn tailwind	▶ Assuming an increase from current spot prices
Other input costs	-120 €/mIn impact on Ebit	▶ Coherent with inflation trends
Marketing and commercial costs	-40 €/mIn impact on Ebit	▶ Investment in Premium growth and increased proximity to end users
Industrial costs	-25 €/mIn 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€/mIn impact on Ebit	▶ As per our investment-intensive phase of 2011-2012

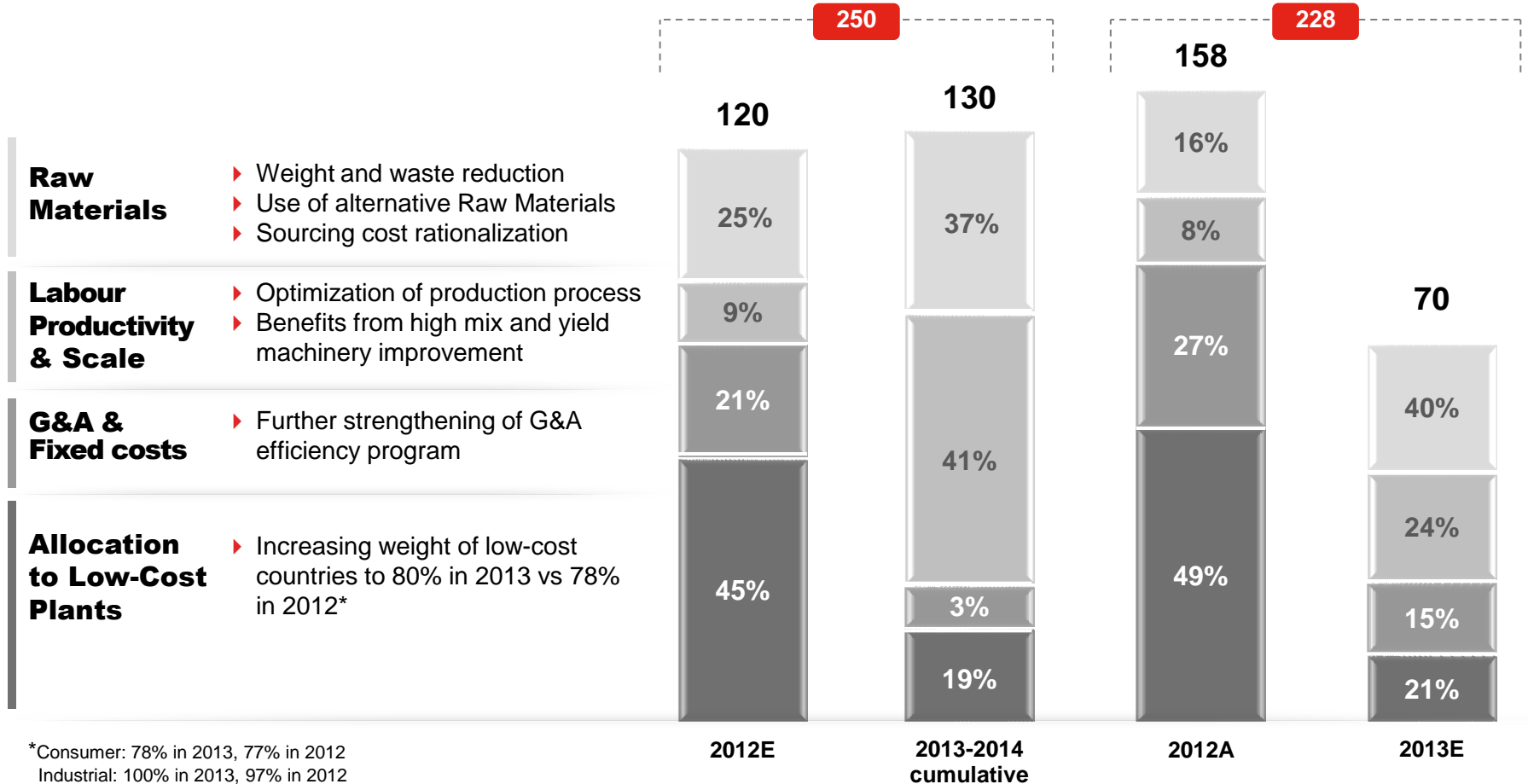
Ebit 2013 expected between 810 and 850 €/mIn

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

2013 EFFICIENCIES

€/mln

'12-'14 Ind. Plan.

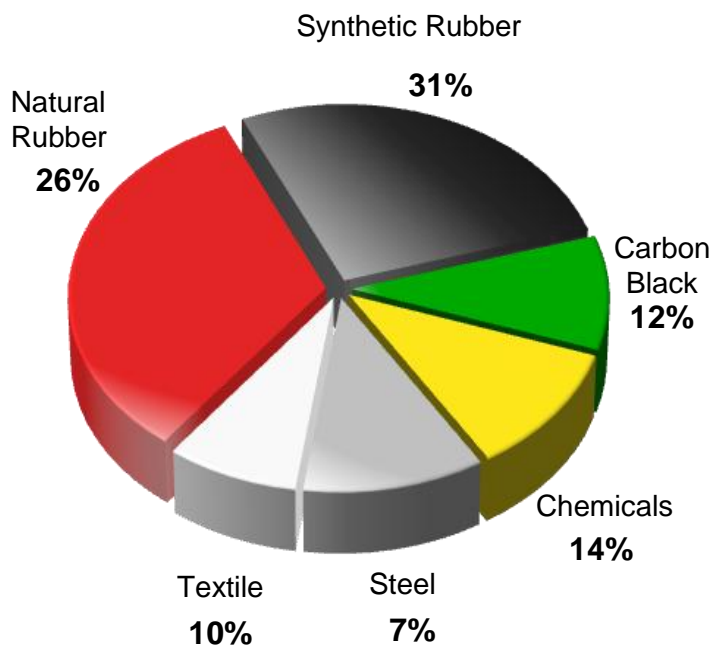


90% of efficiencies forecasted in three years already achieved in only two years

2013 RAW MATERIALS GUIDANCE

BREAKDOWN FY 2012

(based on purchasing cost)



Guidance

2013

Average Cost of Goods Sold €/mln	2012A	Δ yoy (2012 vs 2011)	2013	Δ yoy (2013 vs 2012)
Natural Rubber <i>TSR20 (\$/ton)</i>	3,450	+143	~3,000	~+100
Brent Oil <i>(\$/barrell)</i>	111	(28)	~110	+5
Butadiene EU <i>(€/ton)</i>	1,868	+2	~1,850	+10
FX (R\$, TRY, EGP, US\$)		(167)		~(60)
TOTAL		(50.5)		~+55

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

AGENDA

KEY MESSAGES

PIRELLI & C FINANCIAL REVIEW

PIRELLI TYRE

APPENDIX

PIRELLI GROUP – FY'12 RESULTS

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Other		Pirelli & C. Cons.	
	FY'12	FY'11	FY'12	FY'11	FY'12	FY'11
Sales	6,031.3	5,601.6	40.2	53.2	6,071.5	5,654.8
EBITDA before Restruct. Costs	1,114.8	875.5	(23.6)	(40.9)	1,091.2	834.6
<i>% on sales</i>	18.5%	15.6%			18.0%	14.8%
EBIT before Restruct . Costs	848.2	661.7	(28.3)	(52.0)	819.9	609.7
<i>% on sales</i>	14.1%	11.8%			13.5%	10.8%
Restructuring Costs	(39.1)	(17.8)	0.0	(10.0)	(39.1)	(27.8)
EBIT	809.1	643.9	(28.3)	(62.0)	780.8	581.9
<i>% on sales</i>	13.4%	11.5%			12.9%	10.3%
Results from equity participations					(52.2)	(17.3)
Financial Income/Charges					(129.5)	(89.5)
EBT					599.1	475.1
Fiscal Charges					(200.9)	(162.5)
Net Result before disc. op.					398.2	312.6
Deferred Tax assets						128.1
Net Income					398.2	440.7
Attributable Net Income					393.8	451.6
Net Financial Position					1,205.2	737.1

PIRELLI GROUP – 4Q12 RESULTS

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Other		Pirelli & C. Cons.	
	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11
Sales	1,488.4	1,375.9	9.0	13.1	1,497.4	1,389.0
EBITDA before Restruct. Costs	289.1	219.2	(7.8)	(15.7)	281.3	203.5
<i>% on sales</i>	19.4%	15.9%			18.8%	14.7%
EBIT before Restruct. Costs	217.7	167.4	(8.8)	(18.8)	208.9	148.6
<i>% on sales</i>	14.6%	12.2%			14.0%	10.7%
Restructuring Costs	(20.9)	(7.9)	0.0	(10.0)	(20.9)	(17.9)
EBIT	196.8	159.5	(8.8)	(28.8)	188.0	130.7
<i>% on sales</i>	13.2%	11.6%			12.6%	9.4%
Results from equity participations					(25.8)	(20.3)
Financial Income/Charges					(41.2)	(25.4)
EBT					121.0	85.0
Fiscal Charges					(31.1)	(23.7)
Net Result before disc. op.					89.9	61.3
Deferred Tax assets						128.1
Net Income					89.9	189.4
Attributable Net Income					87.5	196.3
Net Financial Position					1,205.2	737.1

PIRELLI GROUP – 3Q12 RESULTS

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Other		Pirelli & C. Cons.	
	3Q12	3Q11	3Q12	3Q11	3Q12	3Q11
Sales	1,542.6	1,464.8	9.7	11.7	1,552.3	1,476.5
EBITDA before Restruct. Costs	269.5	228.4	(5.3)	(8.2)	264.2	220.2
<i>% on sales</i>	17.5%	15.6%			17.0%	14.9%
EBIT before Restruct. Costs	202.4	174.1	(6.6)	(10.8)	195.8	163.3
<i>% on sales</i>	13.1%	11.9%			12.6%	11.1%
Restructuring Costs	(3.7)	(2.2)	0.0	0.0	(3.7)	(2.2)
EBIT	198.7	171.9	(6.6)	(10.8)	192.1	161.1
<i>% on sales</i>	12.9%	11.7%			12.4%	10.9%
Results from equity participations					(23.7)	2.1
Financial Income/Charges					(39.5)	(19.4)
EBT					128.9	143.8
Fiscal Charges					(42.3)	(51.3)
Net Income					86.6	92.5
Attributable Net Income					86.8	93.6
Net Financial Position					1,868.8	938.3

PIRELLI GROUP – 2Q12 RESULTS

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Other		Pirelli & C. Cons.	
	2Q12	2Q11	2Q12	2Q11	2Q12	2Q11
Sales	1,457.7	1,376.4	7.6	12.0	1,465.3	1,388.4
EBITDA before Restruct. Costs	275.9	218.4	(6.0)	(10.9)	269.9	207.5
<i>% on sales</i>	18.9%	15.9%			18.4%	14.9%
EBIT before Restruct. Costs	210.9	164.6	(7.1)	(13.3)	203.8	151.3
<i>% on sales</i>	14.5%	12.0%			13.9%	10.9%
Restructuring Costs	(12.5)	(4.5)			(12.5)	(4.5)
EBIT	198.4	160.1	(7.1)	(13.3)	191.3	146.8
<i>% on sales</i>	13.6%	11.6%			13.1%	10.6%
Results from equity participations					(3.2)	0.1
Financial Income/Charges					(30.1)	(29.9)
EBT					158.0	117.0
Fiscal Charges					(61.6)	(39,6)
Net Income					96.4	77.4
Attributable Net Income					96.6	78.9
Net Financial Position					1,702.7	778.9

PIRELLI GROUP – 1Q12 RESULTS

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Other		Pirelli & C. Cons.	
	1Q12	1Q11	1Q12	1Q11	1Q12	1Q11
Sales	1,542.6	1,384.5	13.9	16.4	1,556.5	1,400.9
EBITDA before Restruct. Costs	280.3	209.5	(4.5)	(6.1)	275.8	203.4
<i>% on sales</i>	18.2%	15.1%			17.7%	14.5%
EBIT before Restruct. Costs	217.2	155.6	(5.8)	(9.1)	211.4	146.5
<i>% on sales</i>	14.1%	11.2%			13.6%	10.5%
Restructuring Costs	(2.0)	(3.2)			(2.0)	(3.2)
EBIT	215.2	152.4	(5.8)	(9.1)	209.4	143.3
<i>% on sales</i>	14.0%	11.0%			13.5%	10.2%
Results from equity participations					0.5	0.8
Financial Income/Charges					(18.7)	(14.8)
EBT					191.2	129.3
Fiscal Charges					(65.9)	(47.9)
Net Income					125.3	81.4
Attributable Net Income					122.9	82.8
Net Financial Position					1,305.0	712.8

PIRELLI BALANCE SHEET

€/mln

	FY12	FY 11*
Fixed Assets	3,877.2	3,576.4
Inventories	1,102.6	1,036.7
Commercial receivables	704.6	745.2
Commercial payables	(1,268.7)	(1,382.8)
Net Operating Working Capital	538.5	399.1
Other receivables/payables	11.0	(248.3)
Net Working Capital	549.5	150.8
Net Invested Capital	4,426.7	3,727.2
Total Net Equity	2,389.4	2,191.6
Provisions	832.1	798.5
Net Financial Position	1,205.2	737.1
Total	4,426.7	3,727.2
Attributable Net Equity	2,337.4	2,146.1
Equity per Share (euro)	4.790	4.398

% Net Invested Capital

	FY12	FY11
Pirelli Tyre	93.7%	85.0%
Other	6.3%	15.0%

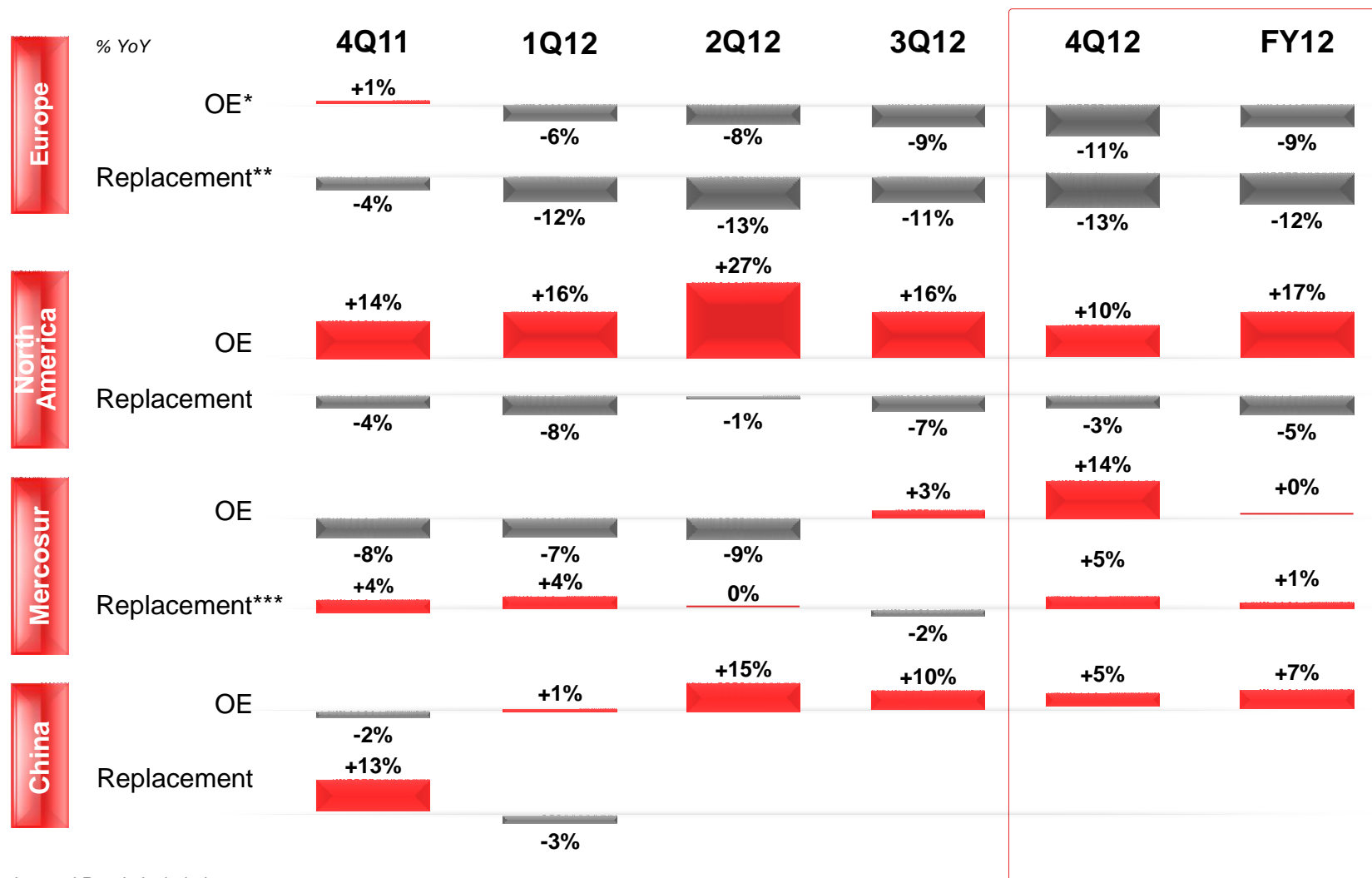
* Restated to account for the effects of the allocation made for JV Russia acquisition

PIRELLI GROUP CASH FLOW

€/mln

	1Q'12	2Q'12	3Q'12	4Q'12	FY'12
EBIT before restructuring costs	211.4	203.8	195.8	208.9	819.9
Depreciation	64.4	66.1	68.4	72.4	271.3
Net investments	(80.1)	(114.8)	(132.5)	(143.5)	(470.9)
Working capital/other variations	(512.8)	(238.8)	(199.0)	593.0	(357.6)
OPERATING CASH FLOW	(317.1)	(83.7)	(67.3)	730.8	262.7
Financial income (expenses)	(18.7)	(30.1)	(39.5)	(41.2)	(129.5)
Tax charges	(65.9)	(61.6)	(42.3)	(31.1)	(200.9)
NET OPERATING CASH FLOW	(401.7)	(175.4)	(149.1)	658.5	(67.7)
Financial investments/divestments	3.2	-	2.3	-	5.5
Russian JV	(154.5)		(16.4)	-	(170.9)
Däckia	-	(70.8)	-	-	(70.8)
Campneus	-	(35.4)	-	-	(35.4)
Property divestments	-	-	-	20.5	20.5
Dividends paid	(2.2)	(133.0)	-	-	(135.2)
Cash-out for restructuring	(4.2)	(3.3)	(3.6)	(12.4)	(23.5)
Exchange rate differentials/Others	(8.5)	20.2	0.7	(3.0)	9.4
NET CASH FLOW	(567.9)	(397.7)	(166.1)	663.6	(468.1)

CONSUMER BUSINESS: KEY MARKET TRENDS



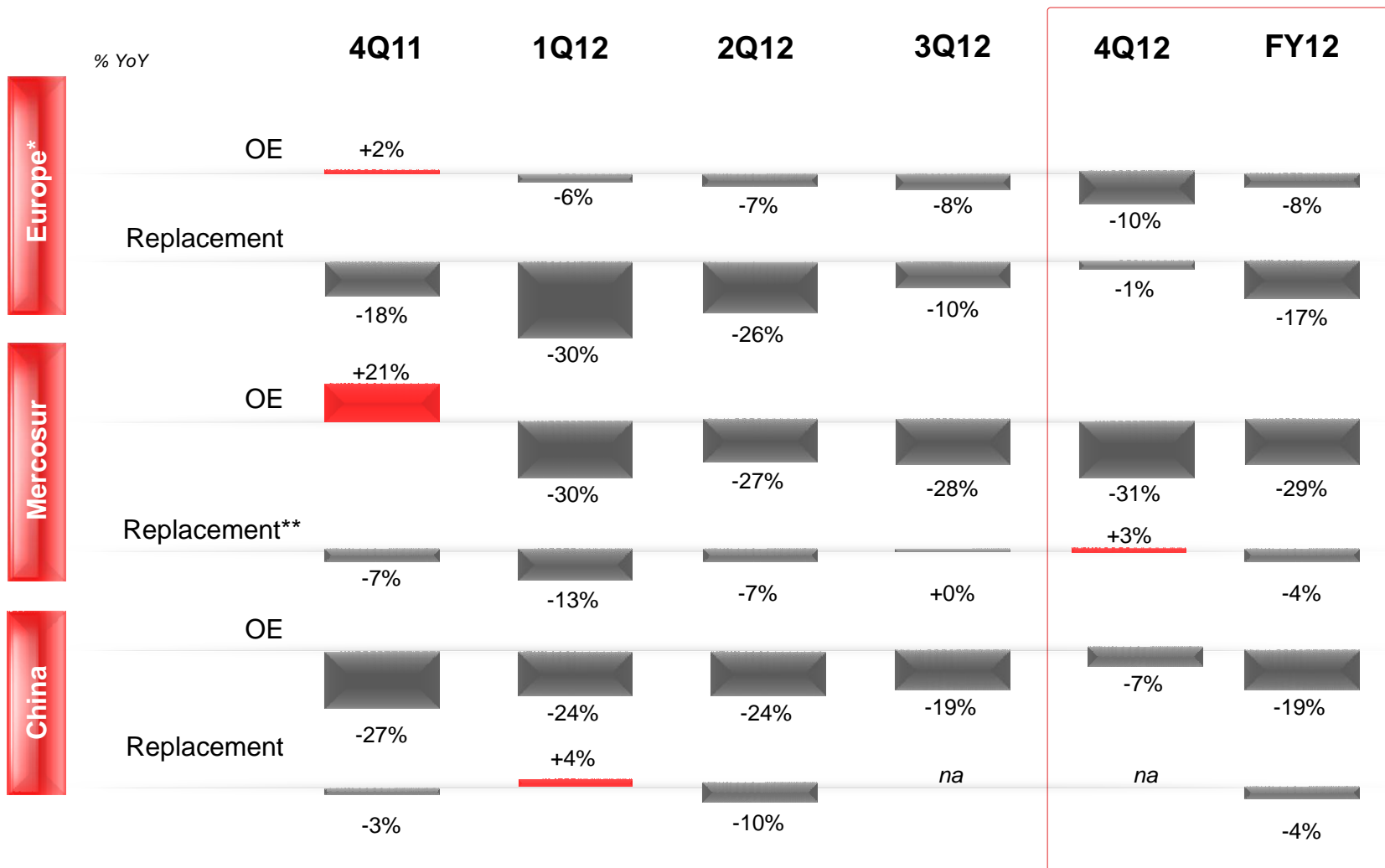
(*)Turkey and Russia included

(**)Turkey included

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

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

INDUSTRIAL BUSINESS: KEY MARKET TRENDS



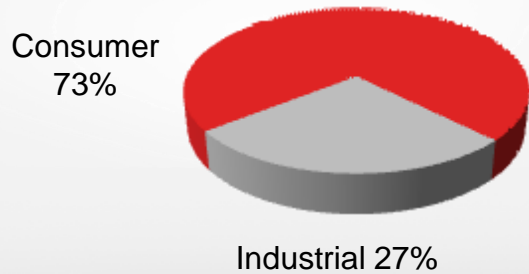
(*)Turkey included and Russia excluded

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

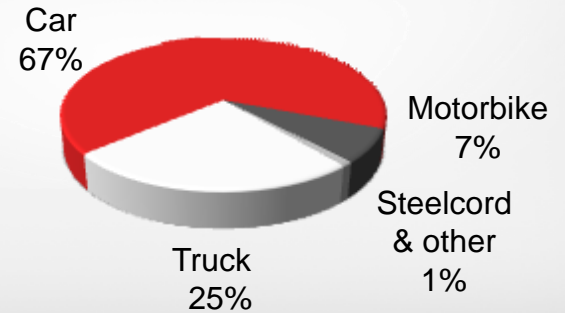
Source: major external data provider for each Region and Pirelli estimates

FY12 PIRELLI TYRE MIX

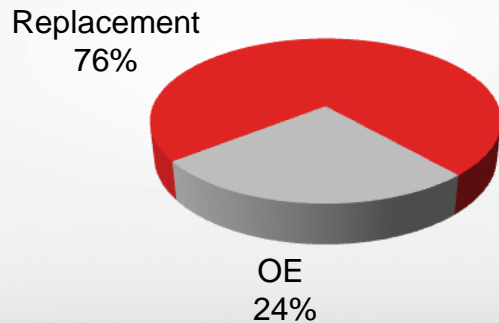
SALES BY BUSINESS



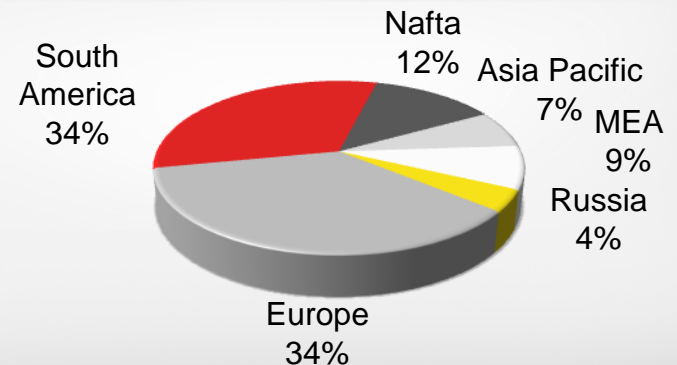
SALES BY SEGMENT



SALES BY CHANNEL

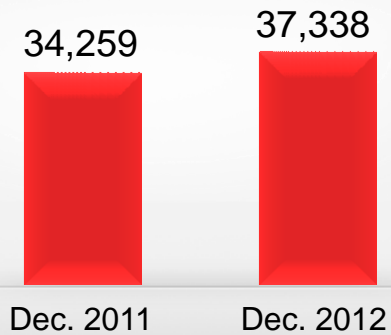


SALES BY REGION

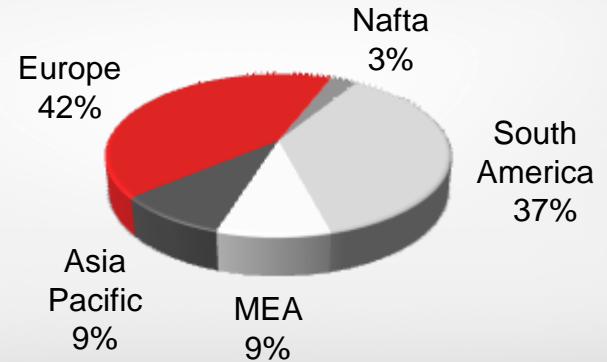


DECEMBER 2012 PIRELLI PEOPLE

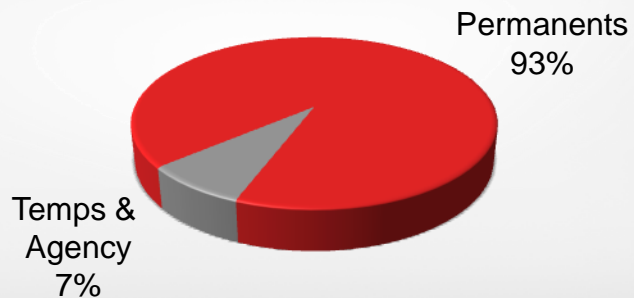
HEADCOUNT



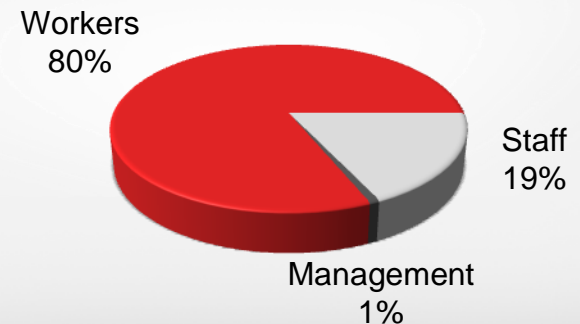
PEOPLE BY REGION



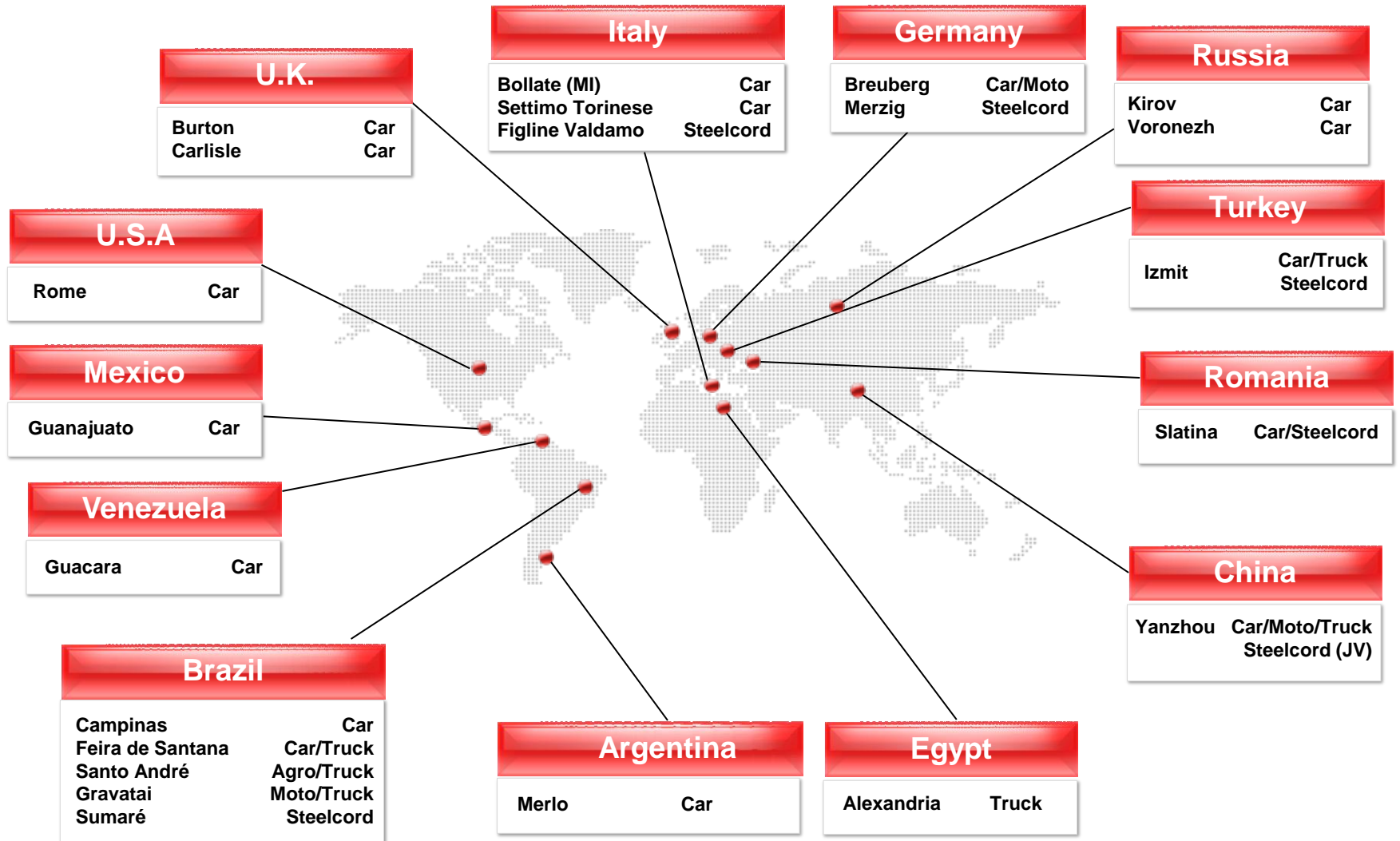
PEOPLE BY CONTRACT



PEOPLE BY CLUSTER

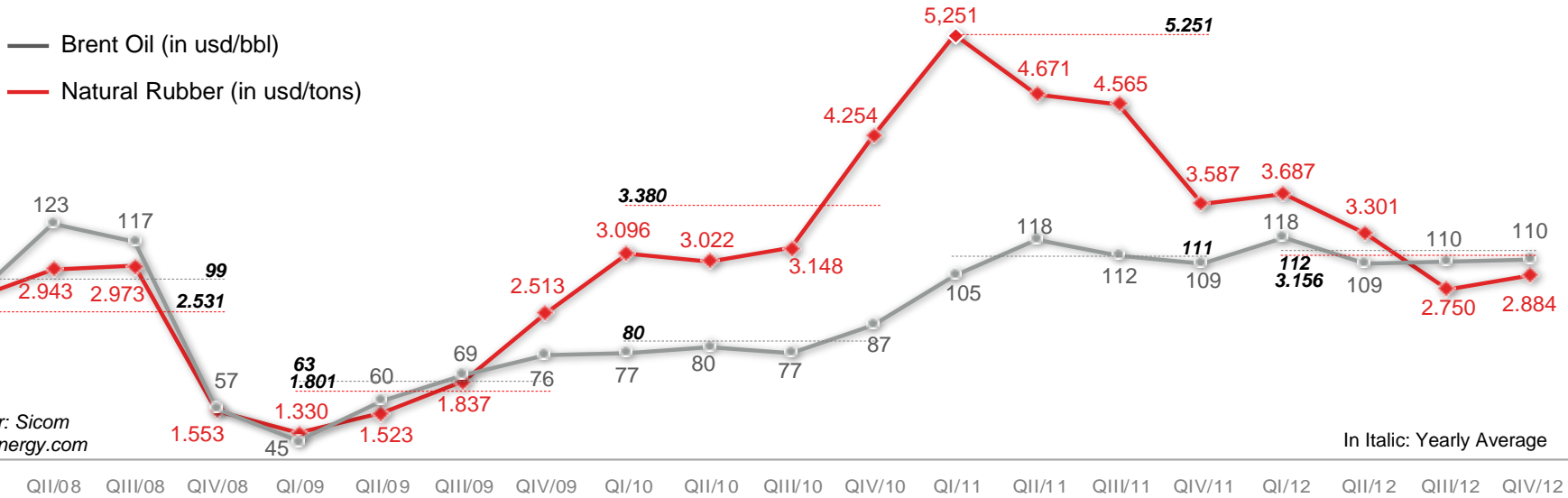


PIRELLI PLANTS IN THE WORLD



RAW MATERIALS

RAW MATERIAL PRICE TREND



FY 2012 MIX (BASED ON PURCHASING COST)

Raw mat. costs on sales: 38%

