



# 2015 Financial Results

March 15, 2016



PEOPLE

INNOVATION

TECHNOLOGY

# KEY MESSAGES

- 1 2015 Operating results in line with guidance**, with progress in Consumer business more than compensating for weakness in Industrial business end-markets
- 2 Partnership with ChemChina**: integration plan in progress, aiming to improve coverage of strategic markets and creating the world's #4 player in Industrial tyres
- 3 Financial Communication going forward**: commitment to quarterly reporting with granular disclosure even during delisting period, conference calls to be resumed in H2 2016

# PIRELLI FINANCIAL COMMUNICATION GOING FOWARD

- ▶ Both classes of Pirelli shares (Ordinary and Savings) now delisted

Special Meeting of Savings Shareholders of February 15<sup>th</sup> 2016 approved mandatory conversion of savings shares into a special class of delisted shares (last day of trading of saving shares was February 25<sup>th</sup>)

## Reporting

- ▶ Quarterly results with granular disclosure
- ▶ Guidance to be reinstated following Industrial Business asset integration as part of CNRC partnership
- ▶ Annual and quarterly financial reports

## Quarterly Earnings Call

- ▶ To be reinstated in H2 2016
- ▶ Targeted for bond holders and credit analysts, open to sell-side equity analysts, equity investors and financial media

## Pirelli website - IR section

- ▶ Will continue to provide updated information on tyre industry, company strategy and financial results
- ▶ Dedicated credit markets section with information on Pirelli debt facilities (loans and bonds), ratings, credit analyst coverage

# CHEMCHINA-PIRELLI LONG-TERM PARTNERSHIP AND INDUSTRIAL BUSINESS INTEGRATION

- > **Objective:** strengthening Pirelli's development plans
  - > **Consumer business:** strengthening of Premium strategy, reinforcing coverage of strategic geographical areas such as China
  - > **Industrial business:** creating the 4th global tyre player with capacity increase from 6 to 16 mln pcs resulting from the combination of industrial tyre assets owned by ChemChina and by Pirelli
- > **Products and production:** full product & market coverage across all business segments (Car, Moto, Truck, OTR and Agro) through a diversified production base
- > **Several areas of synergies** such as product improvement, market coverage and procurement (combined bargaining power to achieve economy of scale)
- > **Business integration** in line with expectations, identifying synergies and developing the integrated business plan

**Long-Term Partnership between Pirelli and ChemChina will result in a global leading tyre player in both the Consumer and Industrial sectors**

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# FY 2015 OPERATING RESULTS IN LINE WITH GUIDANCE

	2015 targets November 2015	2015 Results	
<b>Revenues</b>	<b>&gt; 6,25 €/bln</b>	<b>6.31 €/bln</b>	
• Volumes	-0.5% ÷ -1%	-1.6%	Worsening trends in Emerging Markets (LatAm)
- o/w Premium	≥ 10%	+12.7%	
• Price/mix	≥+5.5%	+7.1%	Record price/mix improvement due to both Premium outperformance and price increases in Emerging Markets
• Foreign Exchange	~ -1.5%	-0.6%	
Total Revenues Growth	~+4%	+4.9%	
<b>EBIT before non recurring items and restructuring costs</b>	<b>~ 925 €/mln</b>	<b>918.5 €/mln</b>	
Non recurring items and restructuring costs	~ 55 €/mln	68.2 €/mln	Higher non recurring items resulting from Industrial BU separation and early termination of LTI program
<b>EBIT</b>	<b>~ 870 €/mln</b>	<b>850.3 €/mln</b>	
<b>Capex</b>	<b>&lt;400 €/mln</b>	<b>391.4 €/mln</b>	
<b>Net Cash Flow</b> before Dividends, Steelcord disposal and Venezuela deconsolidation	<b>≥ 300 €/mln</b>	<b>192.1 €/mln</b>	Net Cash Flow and NFP discount the postponement of certain financial assets disposal already included in the annual targets for a total amount of around 120 €/mln
<b>Net Financial Position</b> before Venezuela deconsolidation	<b>~850 €/mln</b>	<b>921.4 € mln</b>	
<b>Net Financial Position</b>		<b>1,199.1 € mln</b>	

# 2015 CONSUMER & INDUSTRIAL RESULTS IN LINE VS GUIDANCE

## Consumer Business

	2015 Targets November 2015	2015 Results
<b>Revenues</b>	<b>&gt; 5.0 € bln</b>	<b>5.05 € bln</b>
• Volumes	~+1%	+0.3%
- o/w Premium	≥+10%	+12.7%
• Price/mix	> +6.5%	+7.6%
• Forex	<i>flat</i>	+1.6%
<b>Total</b>	<b>&gt;+8%</b>	<b>+9.5%</b>
<b>EBIT margin before non-recurring items and restr. costs</b>	<b>~ 16%</b>	<b>16.2%</b>

Progressing faster than Nov. 2013 Industrial Plan targets:

- ▶ Premium weight on Consumer Sales already at 60% (2016 target)
- ▶ Profitability above 16% (>15.5% 2016 target)

## Industrial Business

	2015 Targets November 2015	2015 Results
<b>Revenues</b>	<b>~1.25 € bln</b>	<b>1.25 € bln</b>
• Volumes	~ -6%	-7.9%
• Price/mix	> +2%	+5.3%
• Forex	~ -7%	-7.7%
<b>Total</b>	<b>~ -11%</b>	<b>-10.3%</b>
<b>EBIT margin before non-recurring items and restr. costs</b>	<b>≥ 8%</b>	<b>8.8%</b>

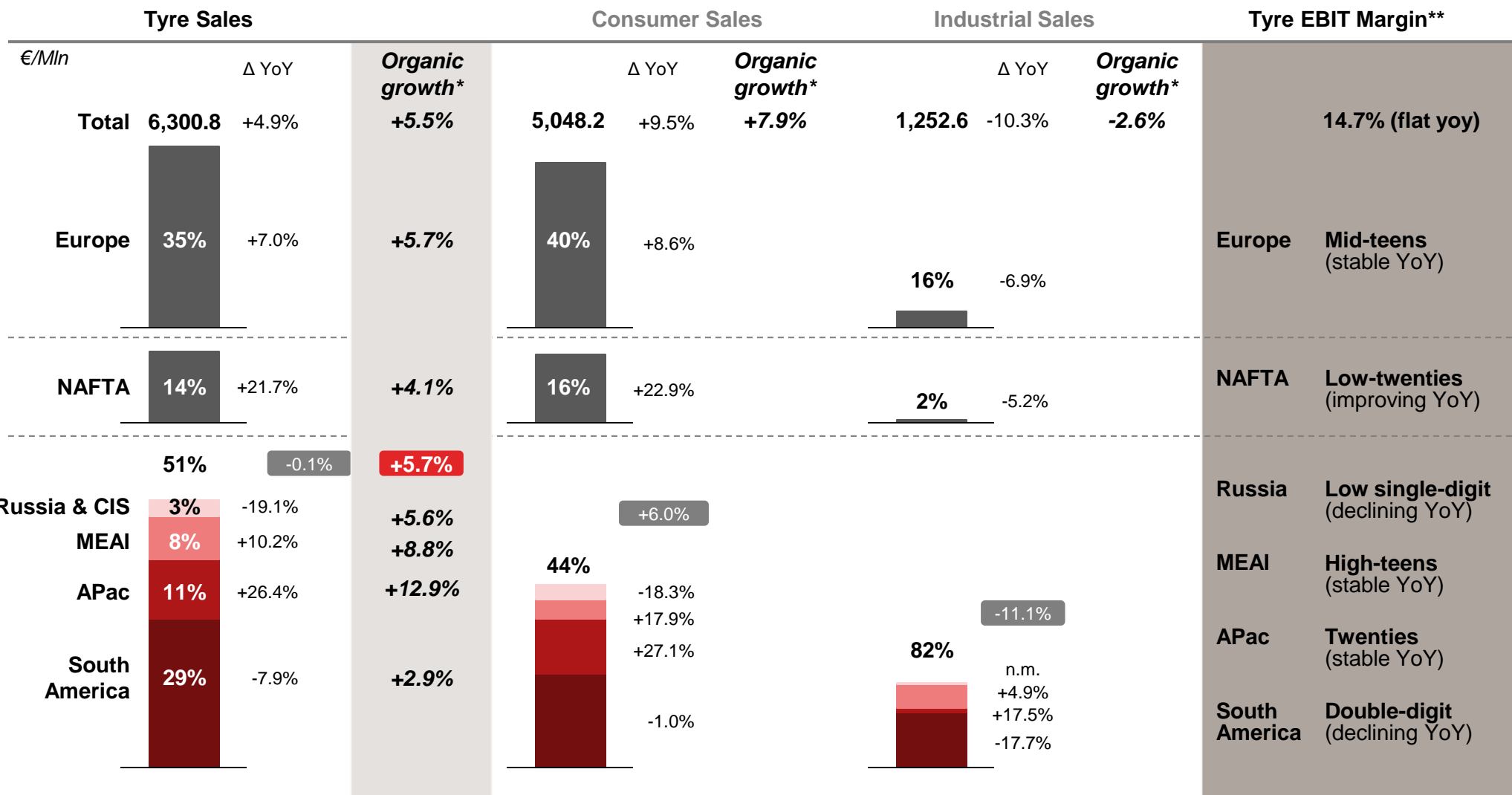
- ▶ In line with 2015 updated targets, sustained by price increases, product and channel mix
- ▶ Prolonged weak economic activity in South America severely impacting Truck sales and tyre replacement business

# PIRELLI KEY FINANCIAL RESULTS

€/Mln	FY 14	FY 15	Δ yoy	4Q 14	4Q 15	Δ yoy	FY/4Q Highlights
<b>Revenues</b>	<b>6,018.1</b>	<b>6,309.6</b>	+4.8%	<b>1,489.4</b>	<b>1,597.7</b>	+7.3%	<ul style="list-style-type: none"> <li>Faster organic growth in Q4, fuelled by Premium and Price/Mix</li> </ul>
<i>Organic Growth<sup>1</sup></i>			+5.4%			+11.9%	
<b>EBITDA before non recurring items and restr. Costs</b>	<b>1,168.0</b>	<b>1,242.7</b>	+6.4%	<b>300.3</b>	<b>349.3</b>	+16.3%	<ul style="list-style-type: none"> <li>Full Year top line performance exceeds expectations</li> </ul>
<i>Margin</i>	19.4%	19.7%	+0.3 p.p.	20.2%	21.9%	+1.7 p.p.	
<b>EBIT before non recurring items and restr. costs</b>	<b>869.2</b>	<b>918.5</b>	+5.7%	<b>221.4</b>	<b>261.3</b>	+18.0%	<ul style="list-style-type: none"> <li>Quality top-line growth translates into record Q4 profitability</li> <li>Consumer profitability at 18.2% in Q4</li> </ul>
<i>Margin</i>	14.4%	14.6%	+0.2 p.p.	14.9%	16.4%	+1.5 p.p.	
<b>EBIT</b>	<b>837.9</b>	<b>850.3</b>	+1.5%	<b>208.2</b>	<b>202.2</b>	-2.9%	
<i>Margin</i>	13.9%	13.5%	-0.4 p.p.	14.0%	12.7%	-1.3 p.p.	
Results from Equity Investments	(87.0)	(41.4)		(54.7)	(35.2)		
Financial Income / (Charges)	(262.4)	(328.2)		(126.7)	(147.7)		
<b>Adjusted PBT<sup>2</sup></b>	<b>488.5</b>	<b>480.7</b>		<b>26.8</b>	<b>19.3</b>		<ul style="list-style-type: none"> <li>Venezuela Deconsolidation following loss of operational control over local subsidiary</li> </ul>
Venezuela decons. (one off)	0.0	(559.5)		0	(559.5)		
<b>PBT</b>	<b>488.5</b>	<b>(78.8)</b>		<b>26.8</b>	<b>(540.2)</b>		<ul style="list-style-type: none"> <li>Merger with MarcoPolo triggers devaluation of tax assets of the Italian company</li> </ul>
<i>Tax Rate on Adjusted PBT</i>	-35.5%	-38.0%		-33.6%	<i>n.m</i>		
Deferred tax assets deval. (one off )	0.0	(107.6)		0.0	(107.6)		
<b>Net Income before disc. Operations</b>	<b>315.2</b>	<b>(368.9)</b>		<b>17.8</b>	<b>(660.1)</b>		
Discontinued operations	17.6	(14.6)		15.0	0.0		
<b>Net Income</b>	<b>332.8</b>	<b>(383.5)</b>		<b>32.8</b>	<b>(660.1)</b>		
<b>Attributable Net Income</b>	<b>319.3</b>	<b>(391.4)</b>		<b>28.8</b>	<b>(659.4)</b>		
<b>Adjusted Net Income</b> (before disc. operations, Venezuela and deferred tax assets dev.)	<b>315.2</b>	<b>298.2</b>		<b>17.8</b>	<b>7.0</b>		



# FY 2015 PERFORMANCE BY REGION



\* Excluding exchange rate effects

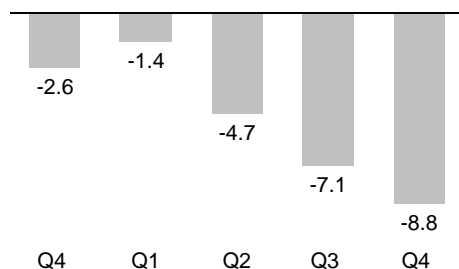
\*\* Before non recurring items and restructuring costs

# UPDATE ON VENEZUELA

Worsening macro-economic conditions and FX currency availability have limited our ability to make and execute operational decisions at our Venezuela subsidiary which as of 31.12.2015 is accounted for as an investment, in line with the approach of several multinationals active in the Country.

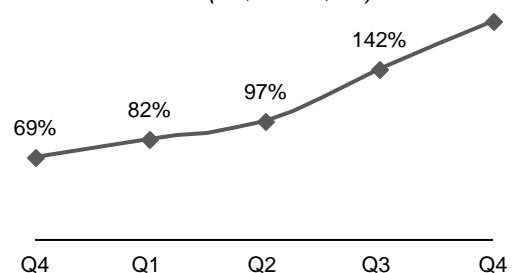
## Venezuela macro-economic scenario

### GDP Trend per quarter (4Q'14-4Q'15)



Source: Central Bank of Venezuela - INE

### Inflation rate (4Q'14-4Q'15)

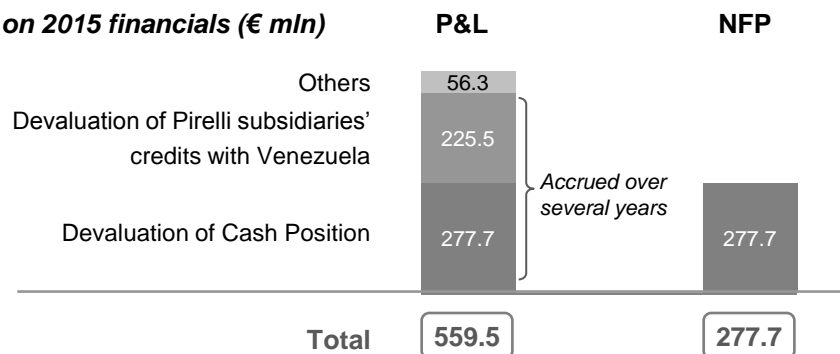


### FX Environment

- ▶ Increasing restriction on FX conversion and limited availability of US \$
- ▶ On Feb 17, 2016, President Maduro announced the end to the SICAD rate (USD/VEF 13.5) and a new two-tier exchange rate: USD/VEF 10 for basic goods and the SIMADI rate (~USD/VEF 205 in February) rebranded as a floating rate

## Deconsolidation of Venezuela from Pirelli accounts

### Impact on 2015 financials (€ mln)



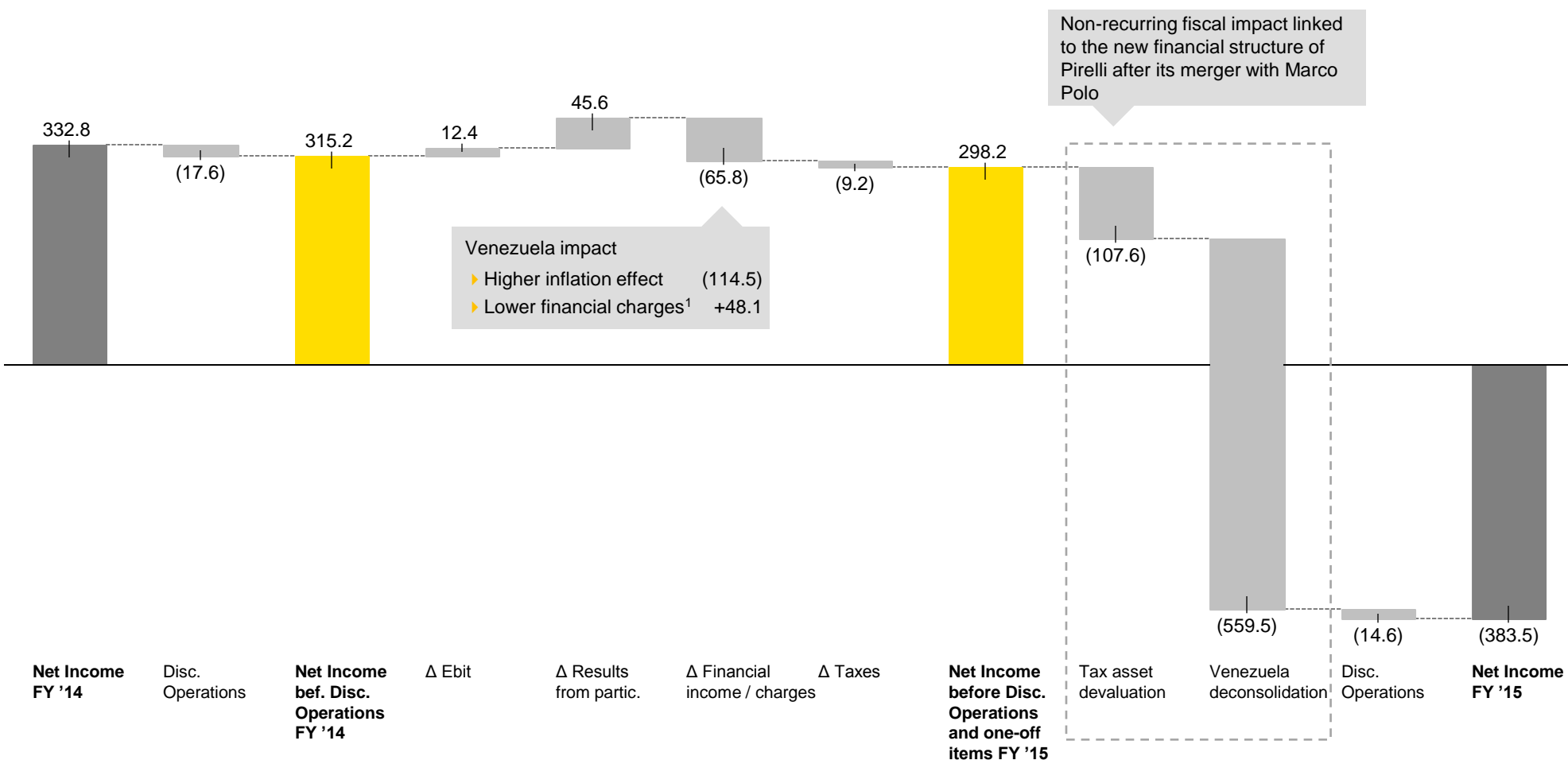
### Pirelli exposure in the country

- ▶ 1 plant with a 1 mln Car capacity (50% capacity utilization rate in 2015, in line with our initial guidance)

**Going Foward:** very limited exposure to the Country (18.9€/mln the asset value of the subsidiary), our financial results will not include Venezuela, considered operationally independent and whose activity will depend on availability of foreign currency. We will continue in our effort to get cash from the country for reimbursement of all open positions.

# PIRELLI NET INCOME FY 2015 VS FY 2014

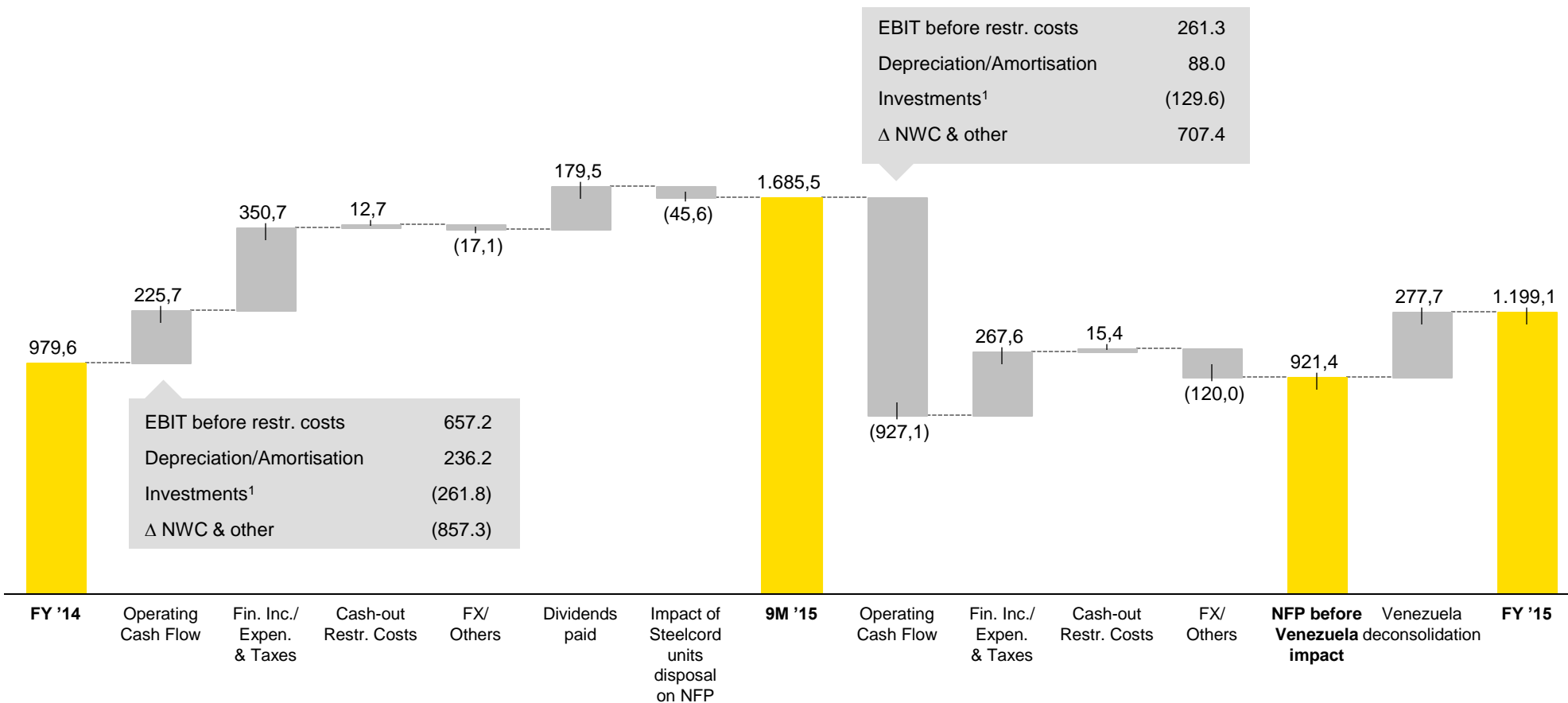
€/Mln



<sup>1</sup> Lower exchange rate loss on trade payables (24.0 €/mln as at 31 December 2015 vs. 72.1 €/mln as at 31 December 2014)

# FY 2015 NET FINANCIAL POSITION

€/Mln



<sup>1</sup> Tangible and intangible investments

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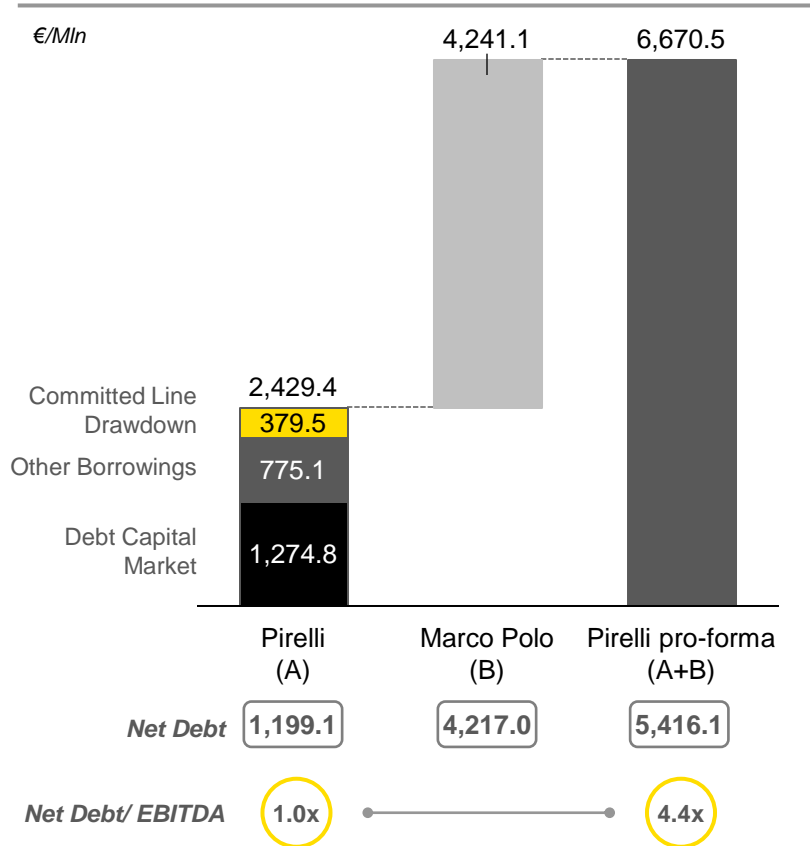
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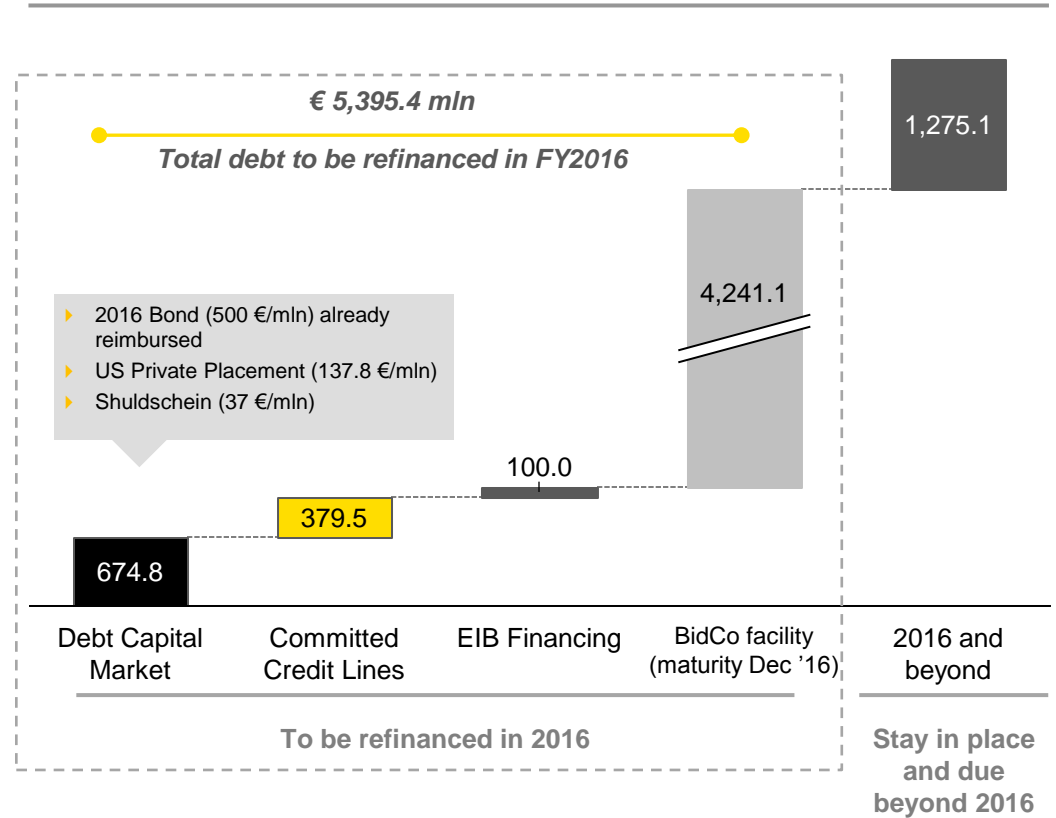
APPENDIX

# NEW DEBT STRUCTURE POST MARCO POLO MERGER INTO PIRELLI

## Pirelli YE 2015 Gross Debt pro-forma



## Breakdown of Gross Debt YE 2015 to be refinanced in 2016



**Pirelli 2019 Bond** expected to remain in place until its natural maturity since the change of control clause does not apply (merger of Marcopolo in Pirelli)

# RATING AND REFINANCING PLAN

- ▶ **RATING:** A public credit rating of Pirelli debt will be issued by at least 2 major agencies, applicable to new notes

- ▶ **2016 RE-FINANCING PLAN UP TO 7 € BLN**  
(approved by Pirelli Board of Directors on February 15<sup>th</sup>)

## Objectives

- ▶ Refinancing 5.4€ bln of Debt in 2016 and accommodating for working capital swings
- ▶ Extend Pirelli Debt maturity: ~80% of New financing maturing beyond 2021

## Financing sources

- ▶ Multicurrency bank loans (term loan and revolving credit facility)
- ▶ Multicurrency bonds addressed to Institutional Investors

## Roadshow

- ▶ Subject to market conditions, Company is planning to be on the road in 1H2016

*Pirelli retains the option, if necessary due to adverse market conditions, to utilise the 6.8 € bln Mergeco Facility loan, made available to the company by a pool of banks in the context of Marco Polo Industrial Holding acquisition offer for Pirelli*

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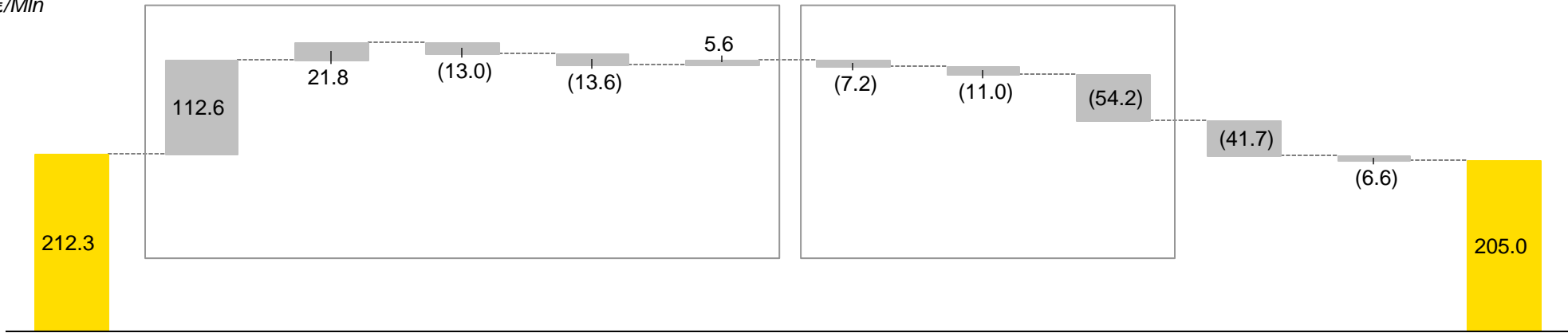
# KEY TYRE RESULTS

€/Min

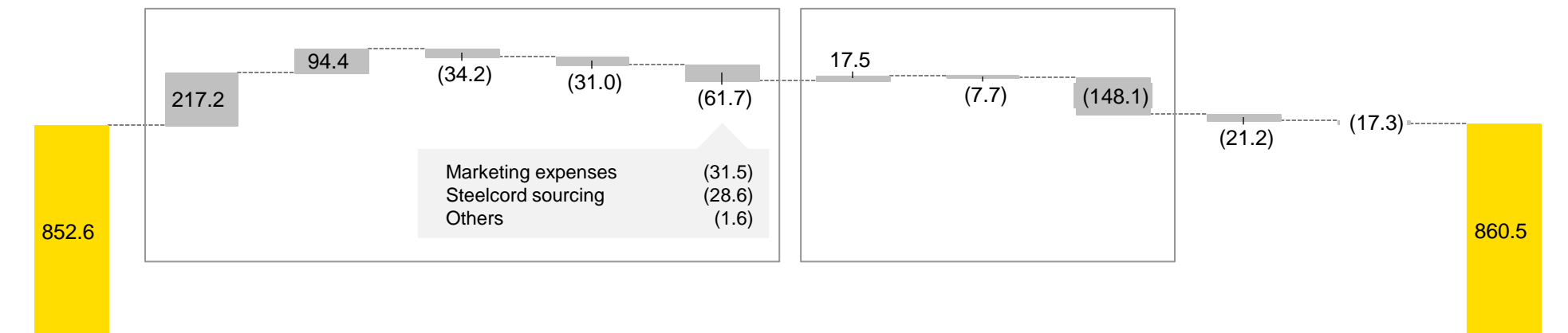
	Q1'15	Δ %	Q2'15	Δ %	Q3'15	Δ %	Q4'15	Δ %	FY'15	Δ %
<b>Revenues</b>	<b>1,565.3</b>	<b>+6.5%</b>	<b>1,608.4</b>	<b>+6.4%</b>	<b>1,531.3</b>	<b>-0.5%</b>	<b>1,595.8</b>	<b>+7.3%</b>	<b>6,300.8</b>	<b>+4.9%</b>
<i>o/w Premium</i>	726.9	+13.6%	770.5	+19.4%	765.1	+17.9%	754.6	+25.3%	3,017.1	+19.0%
<b>EBITDA before non recur. items and restr. costs</b>	<b>293.5</b>	<b>+4.7%</b>	<b>319.1</b>	<b>+3.4%</b>	<b>285.4</b>	<b>-0.6%</b>	<b>351.5</b>	<b>+16.9%</b>	<b>1,249.5</b>	<b>+6.2%</b>
<i>Margin</i>	18.8%	-0.3 p.p.	19.8%	-0.6 p.p.	18.6%	-0.1 p.p.	22.0%	+1.8 p.p.	19.8%	+0.2 p.p.
<b>EBIT before non recur. items and restr. costs</b>	<b>215.3</b>	<b>+2.4%</b>	<b>239.7</b>	<b>+1.5%</b>	<b>207.8</b>	<b>-1.8%</b>	<b>264.0</b>	<b>+18.8%</b>	<b>926.8</b>	<b>+5.3%</b>
<i>Margin</i>	13.8%	-0.5 p.p.	14.9%	-0.7 p.p.	13.6%	-0.2 p.p.	16.5%	+1.6 p.p.	14.7%	0.0 p.p.
<b>EBIT</b>	<b>213.3</b>	<b>+4.1%</b>	<b>238.2</b>	<b>+4.0%</b>	<b>204.0</b>	<b>-1.1%</b>	<b>205.0</b>	<b>-3.4%</b>	<b>860.5</b>	<b>+0.9%</b>
<i>Margin</i>	13.6%	-0.3 p.p.	14.8%	-0.4 p.p.	13.3%	-0.1 p.p.	12.8%	-1.5 p.p.	13.7%	-0.5 p.p.
<b>Revenue drivers</b>	<b>Q1'15</b>		<b>Q2'15</b>		<b>Q3'15</b>		<b>Q4'15</b>		<b>FY'15</b>	
Δ Price/Mix	+3.7%		+3.4%		+7.0%		+14.4%		+7.1%	
Δ Volumes	-1.3%		+0.6%		-3.3%		-2.5%		-1.6%	
<i>o/w Premium</i>	+10.0%		+11.0%		+12.2%		+18.3%		+12.7%	
Δ Revenues (before exchange rate impact)	+2.4%		+4.0%		+3.7%		+11.9%		+5.5%	
Δ Exchange Rate	+4.1%		+2.4%		-4.2%		-4.6%		-0.6%	

# PIRELLI TYRE OPERATING PERFORMANCE

€/Mln



**EBIT 4Q '14** Price/Mix Efficiencies Volume D&A Other costs Raw Materials FX Other Input Costs (Labour / Energy / other) Non recur. items and restr. costs Industrial BU separation **EBIT 4Q '15**



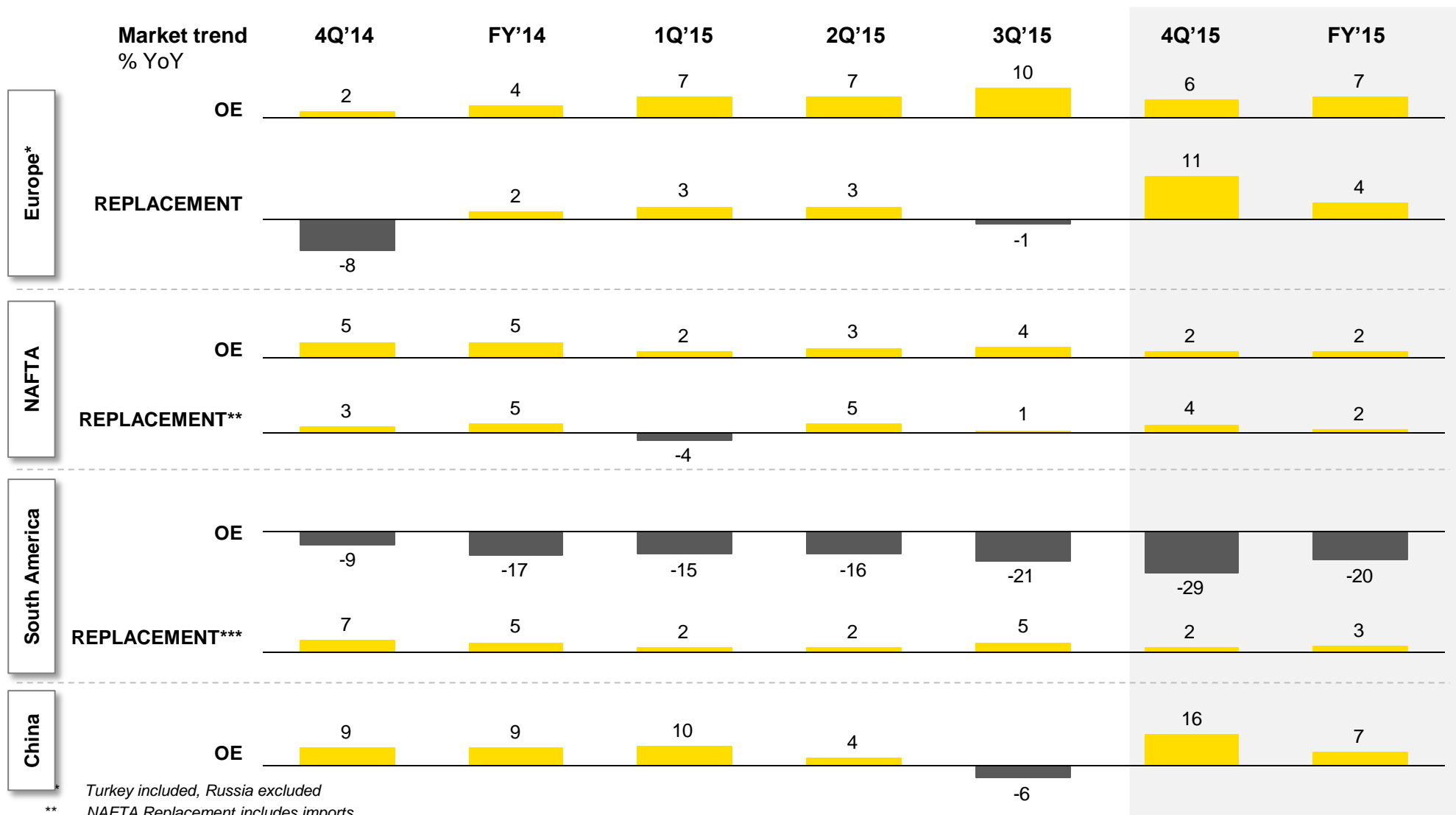
**EBIT FY '14** Price/Mix Efficiencies Volume D&A Other costs Raw Materials FX Other Input Costs (Labour / Energy / other) Non recur. items and restr. costs Industrial BU separation **EBIT FY '15**

# CONSUMER BUSINESS: PIRELLI PERFORMANCE

€/Mln

	Q1'15	Δ %	Q2'15	Δ %	Q3'15	Δ %	Q4'15	Δ %	FY'15	Δ %
<b>Revenues</b>	<b>1,237.4</b>	<b>+9.6%</b>	<b>1,284.3</b>	<b>+10.8%</b>	<b>1,239.9</b>	<b>+5.3%</b>	<b>1,286.6</b>	<b>+12.5%</b>	<b>5,048.2</b>	<b>+9.5%</b>
<i>o/w Premium</i>	726.9	+13.6%	770.5	+19.4%	765.1	+17.9%	754.6	+25.3%	3,017.1	+19.0%
% revenues	58.7%	+2.0 p.p.	60.0%	+4.4 p.p.	61.7%	+6.6 p.p.	58.7%	+6.1 p.p.	59.8%	+4.8 p.p.
<b>EBITDA before non recur. items and restr. costs</b>	<b>246.3</b>	<b>+12.3%</b>	<b>276.8</b>	<b>+12.9%</b>	<b>255.9</b>	<b>+12.2%</b>	<b>305.4</b>	<b>+26.1%</b>	<b>1,084.4</b>	<b>+16.0%</b>
<i>Margin</i>	19.9%	+0.5 p.p.	21.6%	+0.5 p.p.	20.6%	+1.2 p.p.	23.7%	+2.5 p.p.	21.5%	+1.2 p.p.
<b>EBIT before non recur. items and restr. costs</b>	<b>182.0</b>	<b>+11.9%</b>	<b>210.0</b>	<b>+12.4%</b>	<b>190.4</b>	<b>+13.8%</b>	<b>233.8</b>	<b>+29.6%</b>	<b>816.2</b>	<b>+17.1%</b>
<i>Margin</i>	14.7%	+0.3 p.p.	16.4%	+0.3 p.p.	15.4%	+1.2 p.p.	18.2%	+2.4 p.p.	16.2%	+1.1 p.p.
<b>EBIT</b>	<b>180.4</b>	<b>+13.6%</b>	<b>208.5</b>	<b>+15.0%</b>	<b>187.2</b>	<b>+14.0%</b>	<b>186.8</b>	<b>+8.5%</b>	<b>762.9</b>	<b>+12.8%</b>
<i>Margin</i>	14.6%	+0.5 p.p.	16.2%	+0.6 p.p.	15.1%	+1.2 p.p.	14.5%	-0.5 p.p.	15.1%	+0.4 p.p.
<b>Revenue drivers</b>	<b>Q1'15</b>		<b>Q2'15</b>		<b>Q3'15</b>		<b>Q4'15</b>		<b>FY'15</b>	
Δ Price/Mix	+4.7%		+4.1%		+7.8%		+14.1%		+7.6%	
Δ Volumes	+0.4%		+2.2%		-1.4%		-0.1%		+0.3%	
<i>o/w Premium</i>	+10.0%		+11.0%		+12.2%		+18.3%		+12.7%	
Δ Revenues (before exchange rate impact)	+5.1%		+6.3%		+6.4%		+14.0%		+7.9%	
Δ Exchange Rate	+4.5%		+4.5%		-1.1%		-1.5%		+1.6%	

# CONSUMER BUSINESS: KEY MARKET TRENDS



\* Turkey included, Russia excluded

\*\* NAFTA Replacement includes imports

\*\*\* South America Replacement restated to include Brazilian imports

Source: Local tyre manufacturer associations

# INDUSTRIAL BUSINESS: PIRELLI PERFORMANCE

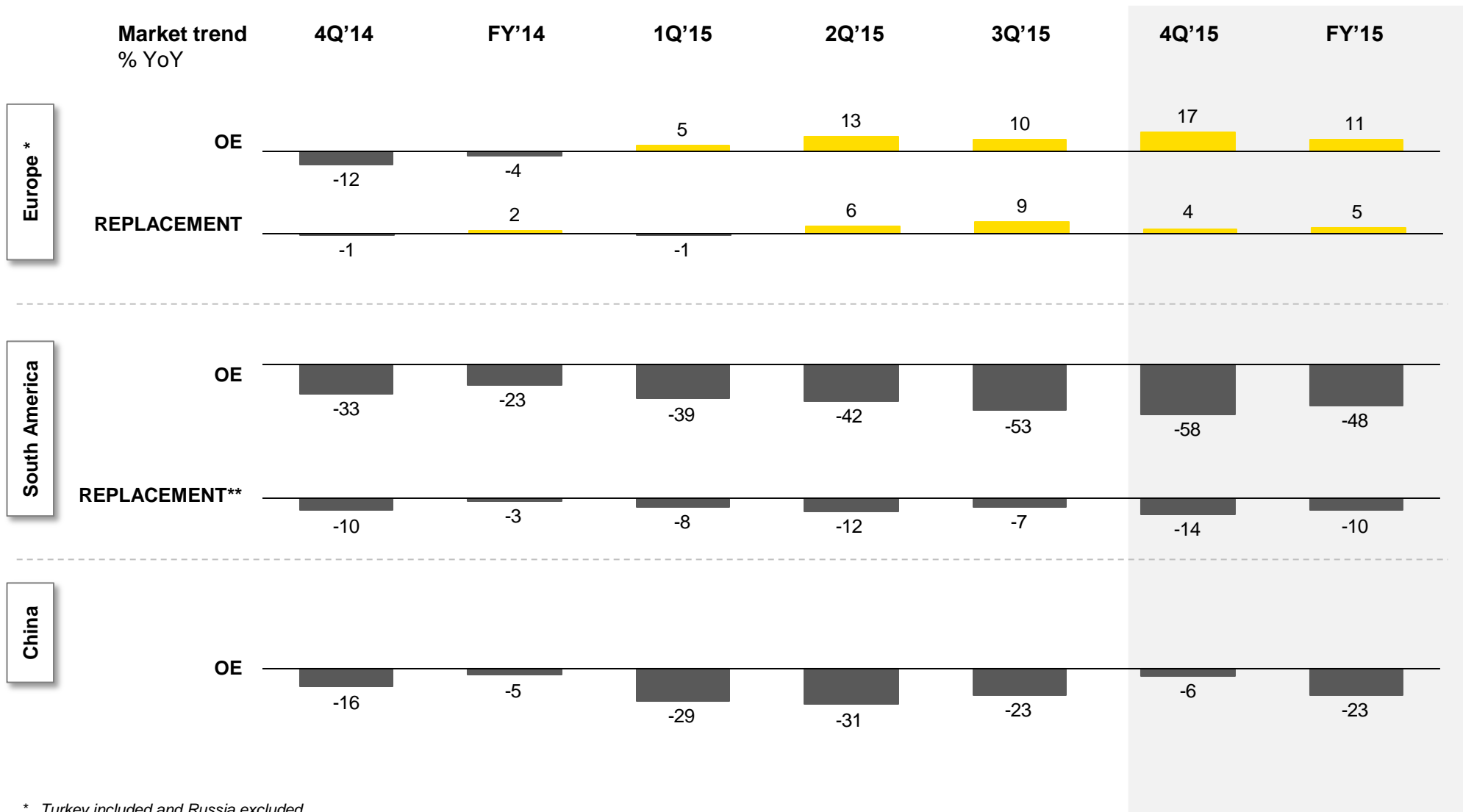
€/Mln

	Q1'15	Δ %	Q2'15	Δ %	Q3'15	Δ %	Q4'15	Δ %	FY'15	Δ %
<b>Revenues</b>	327.9	-3.8%	324.1	-7.8%	291.4	-19.3%	309.2	-10.0%	1,252.6	-10.3%
<b>EBITDA before non recur. items and restr. costs</b>	47.2	-22.5%	42.3	-33.5%	29.5	-50.2%	46.1	-21.2%	165.1	-31.8%
<i>Margin</i>	14.4%	-3.5 p.p.	13.1%	-5.0 p.p.	10.1%	-6.3 p.p.	14.9%	-2.1 p.p.	13.2%	-4.1 p.p.
<b>EBIT before non recur. items and restr. costs</b>	33.3	-30.0%	29.7	-39.8%	17.4	-60.8%	30.2	-27.9%	110.6	-39.6%
<i>Margin</i>	10.2%	-3.8 p.p.	9.2%	-4.8 p.p.	6.0%	-6.3 p.p.	9.8%	-2.4 p.p.	8.8%	-4.3 p.p.
<b>EBIT</b>	32.9	-28.6%	29.7	-37.9%	16.8	-60.1%	18.2	-54.7%	97.6	-44.6%
<i>Margin</i>	10.0%	-3.5 p.p.	9.2%	-4.4 p.p.	5.8%	-5.9 p.p.	5.9%	-5.8 p.p.	7.8%	-4.8 p.p.

-3.4 p.p. vs. FY 2014  
excl. Steelcord business

Revenue drivers	Q1'15	Q2'15	Q3'15	Q4'15	FY'15
Δ Price/Mix	-0.1%	+1.3%	+4.8%	+15.4%	+5.3%
Δ Volumes	-6.7%	-4.7%	-9.7%	-10.5%	-7.9%
Δ Revenues (before exchange rate impact)	-6.8%	-3.4%	-4.9%	+4.9%	-2.6%
Δ Exchange Rate	+3.0%	-4.4%	-14.4%	-14.9%	-7.7%

# 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

# AGENDA

1

2015 RESULTS

2

PIRELLI RE-FINANCING

3

PIRELLI TYRE OVERVIEW

4

APPENDIX

# PIRELLI BALANCE SHEET

€/Mln	FY'14	FY'15
<b>FIXED ASSETS</b>	<b>3,874.0</b>	<b>3,780.5</b>
Inventories	1,055.0	1,053.9
Trade receivables	673.8	676.2
Trade payables	(1,394.4)	(1,313.1)
<b>NET OPERATING WORKING CAPITAL</b>	<b>334.4</b>	<b>417.0</b>
Other payables/receivables	33.9	(107.6)
Net Working Capital	368.3	309.4
Net Invested Capital held for sale	30.8	-
<b>NET INVESTED CAPITAL</b>	<b>4,273.1</b>	<b>4,089.9</b>
Total Net Equity	2,611.5	2,343.5
Provisions	682.0	547.3
Net Financial Position	979.6	1,199.1
<b>TOTAL</b>	<b>4,273.1</b>	<b>4,089.9</b>
Attributable Net Equity	2,548.3	2,280.1
Equity per Share (euro)	5.22	4.67

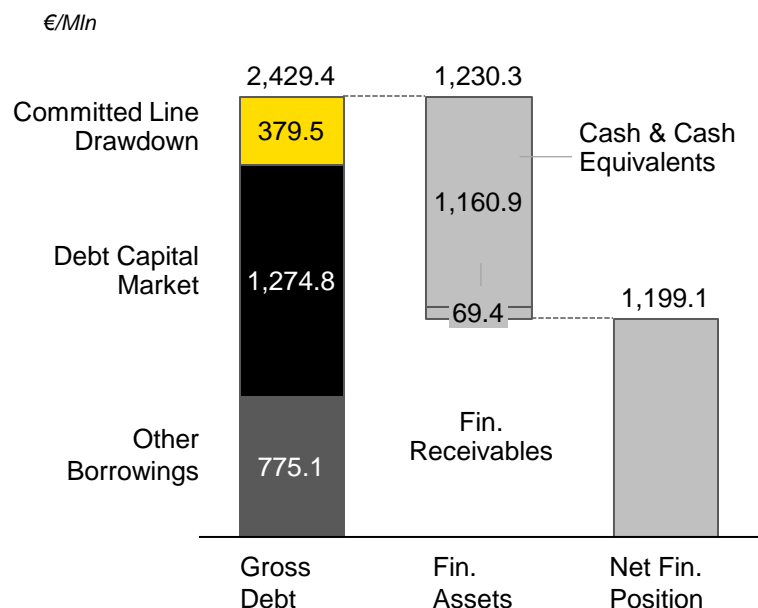


# PIRELLI GROUP CASH FLOW

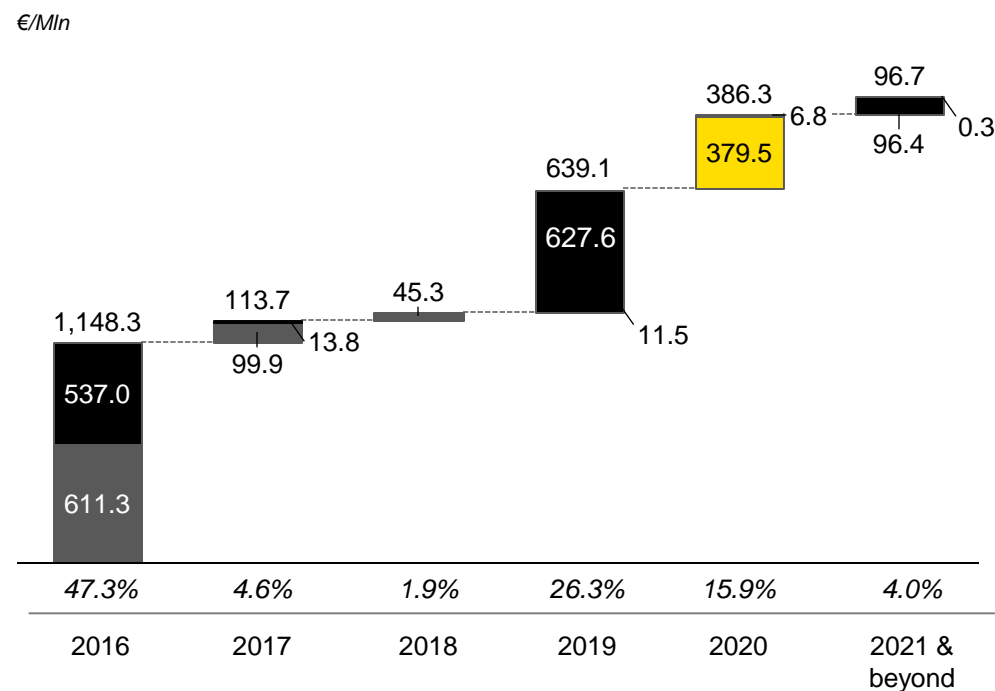
€/Mln	1Q'15	2Q'15	3Q'15	4Q'15	FY'15
EBIT before restructuring costs	213.4	238.0	205.8	261.3	918.5
Depreciation / Amortisation	78.5	79.7	78.0	88.0	324.2
Net investments	(85.6)	(103.2)	(73.0)	(129.6)	(391.4)
Working capital / other variations	(895.2)	151.6	(113.7)	707.4	(149.9)
<b>OPERATING CASH FLOW</b>	<b>(688.9)</b>	<b>366.1</b>	<b>97.1</b>	<b>927.1</b>	<b>701.4</b>
Financial income / (expenses)	(52.1)	(61.3)	(67.1)	(147.7)	(328.2)
Taxes	(54.2)	(63.7)	(52.4)	(119.9)	(290.1)
<b>NET OPERATING CASH FLOW</b>	<b>(795.1)</b>	<b>241.1</b>	<b>(22.4)</b>	<b>659.5</b>	<b>83.1</b>
Financial investments/divestments	(14.4)	(0.4)	-	6.6	(8.2)
Other dividends paid	(7.6)	(2.5)	-	-	(10.1)
Cash-out for restructuring	(6.4)	(2.6)	(3.7)	(15.4)	(28.1)
Venezuela impact on financial charges	-	14.2	9.1	0.7	24.0
Tax assets devaluation	-	-	-	107.6	107.6
Call option exercised on Fenice	-	-	(12.2)	-	(12.2)
Exchange rate differentials / others	45.8	(37.4)	22.5	5.1	36.0
<b>NET CASH FLOW BEFORE DIVIDENDS &amp; STEELCORD</b>	<b>(777.7)</b>	<b>212.4</b>	<b>(6.7)</b>	<b>764.1</b>	<b>192.1</b>
Dividends paid	-	(179.5)	-	-	(179.5)
Impact on NFP of Steelcord units disposal	24.4	35.6	(14.4)	-	45.6
Impact on NFP of Venezuela deconsolidation	-	-	-	(277.7)	(277.7)
<b>NET CASH FLOW</b>	<b>(753.3)</b>	<b>68.5</b>	<b>(21.1)</b>	<b>486.4</b>	<b>(219.5)</b>

# PIRELLI DEBT STRUCTURE AS OF DECEMBER 31, 2015

## Net Financial Position



## Gross Debt Maturity



## Liquidity Profile

€/Mln

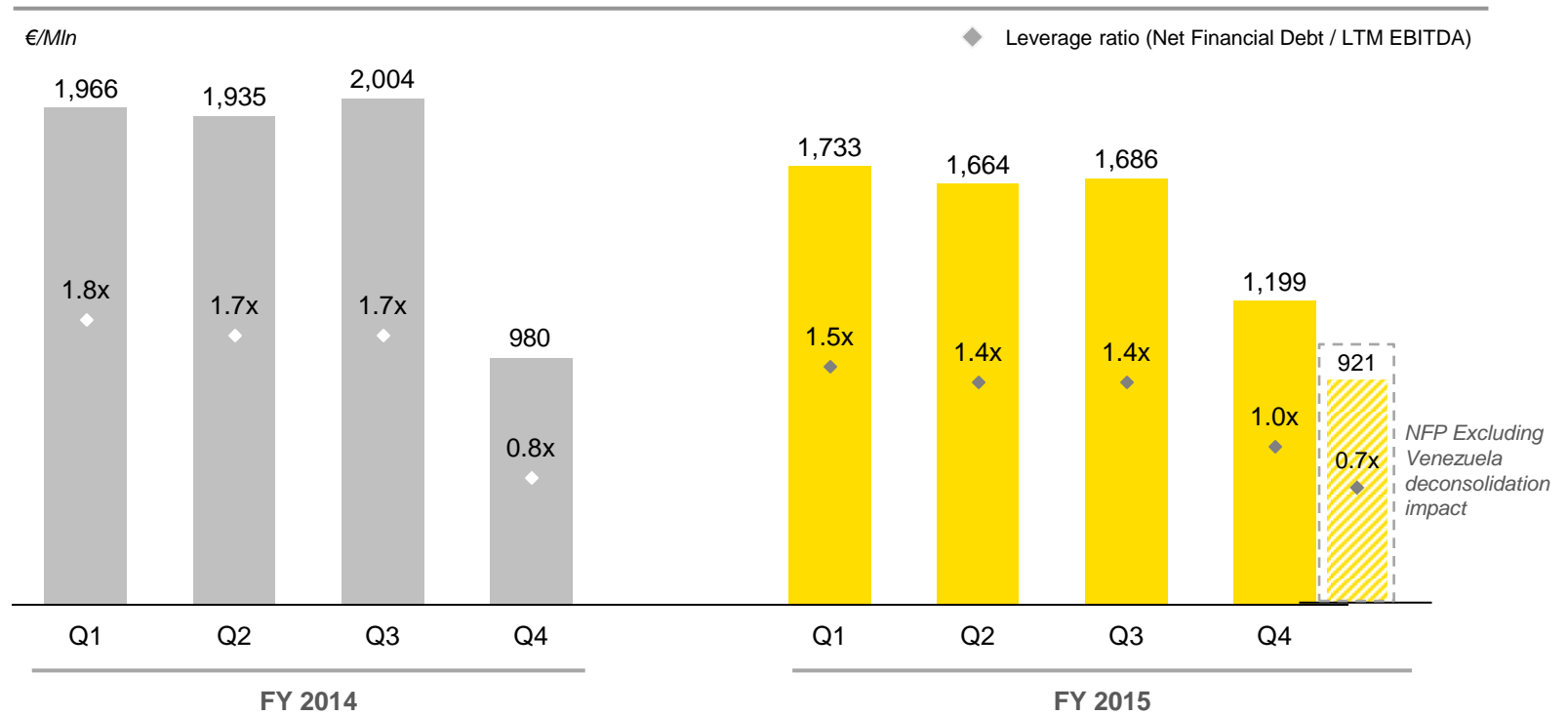
Liquidity position	1,160.9
Total committed lines not drawn due 2020	820.5
<b>Liquidity Margin</b>	<b>1,981.4</b>

## Debt Profile

- ~ 50% of debt maturity beyond 2016
- Cost of debt 5.90% as of December 31th, 2015
- Gross debt profile ~ 80% Fixed and ~ 20% Floating
- Average debt maturity: ~ 2.2 years

# NET FINANCIAL DEBT

## Net Financial Position trend



### Gross Debt



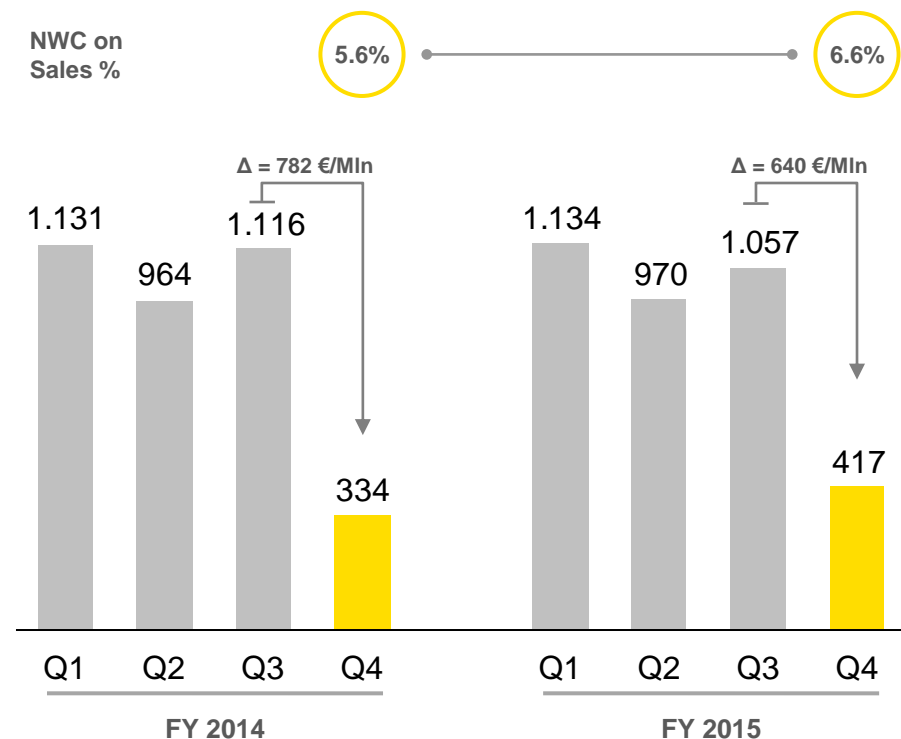
### Liquidity Position



# OPERATING NET WORKING CAPITAL AND CAPEX SEASONALITY TREND

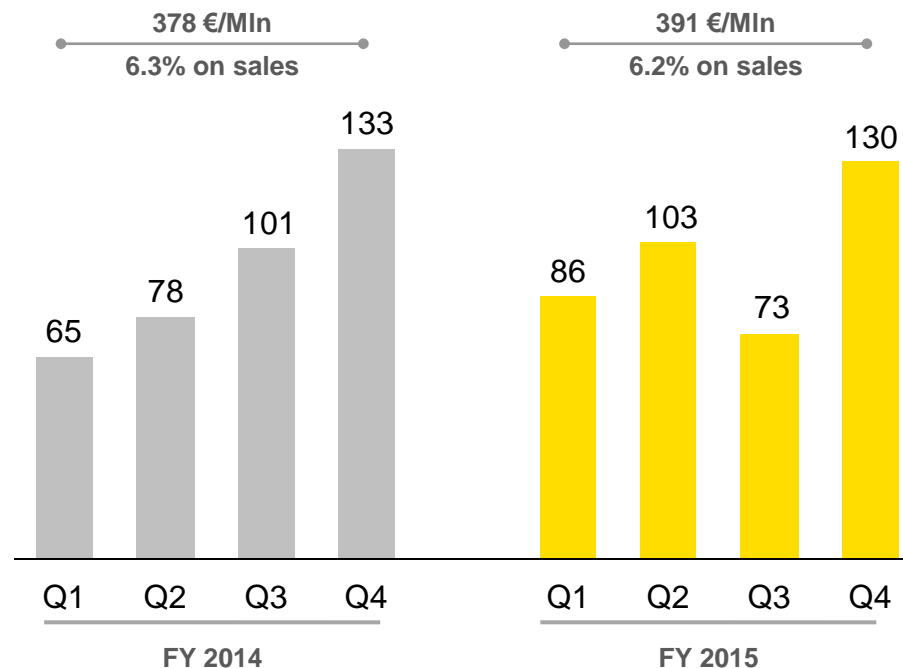
## Operating Net Working Capital

€/Mln



## Capex

€/Mln



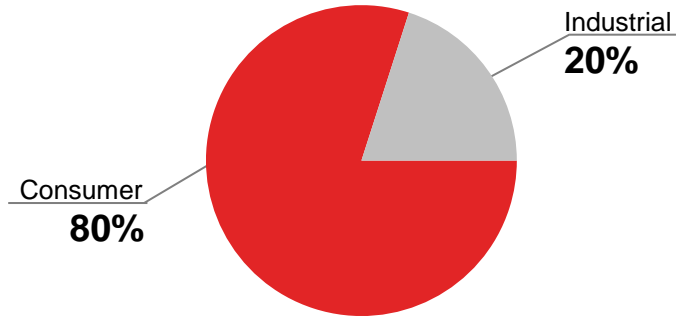
Capex / Sales



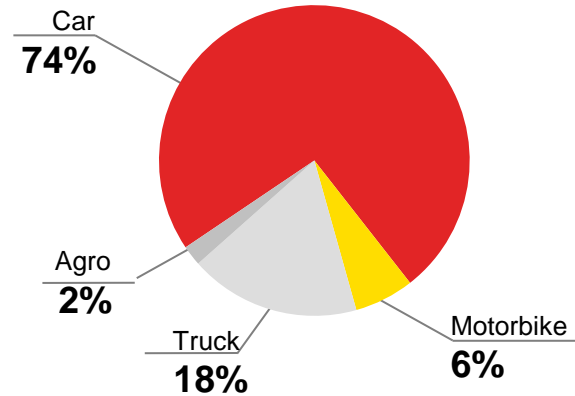
NWC Definition: inventories + trade receivables - trade payables +/- other payables/receivables

# FY 2015 PIRELLI TYRE MIX

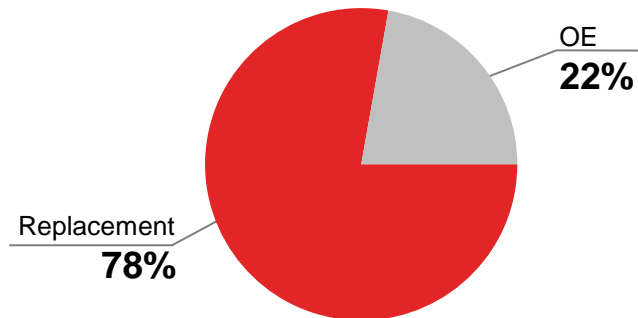
## Sales by Business



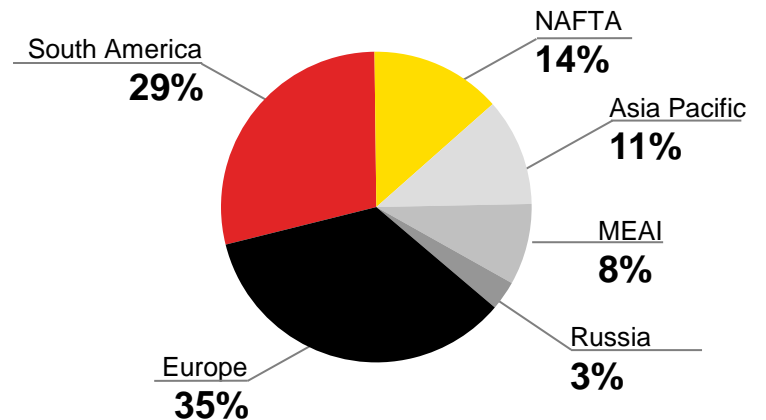
## Sales by Segment



## Sales by Channel

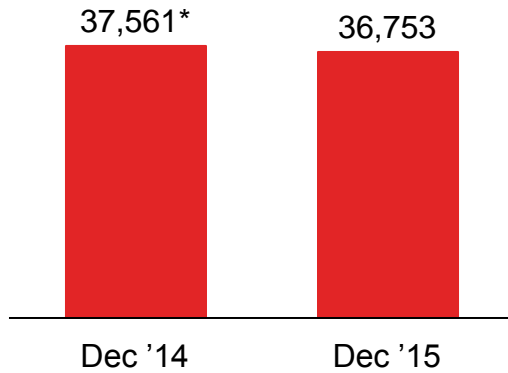


## Sales by Region



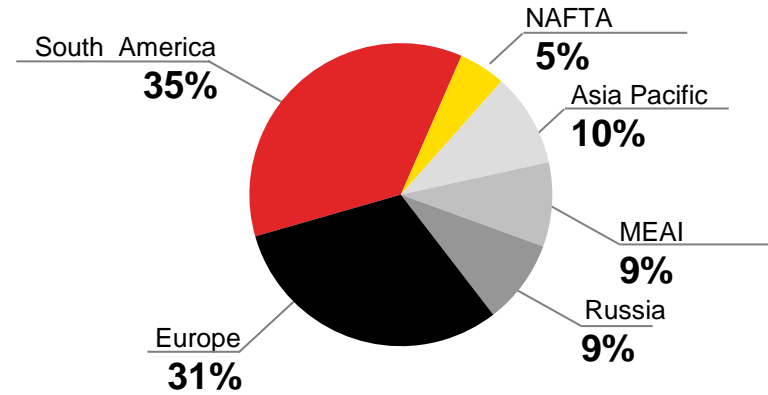
# DECEMBER 2015 PIRELLI PEOPLE

## Headcount

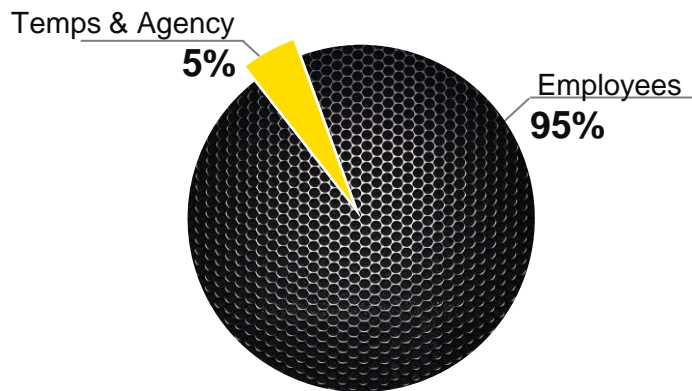


\* Without Steelcord headcount

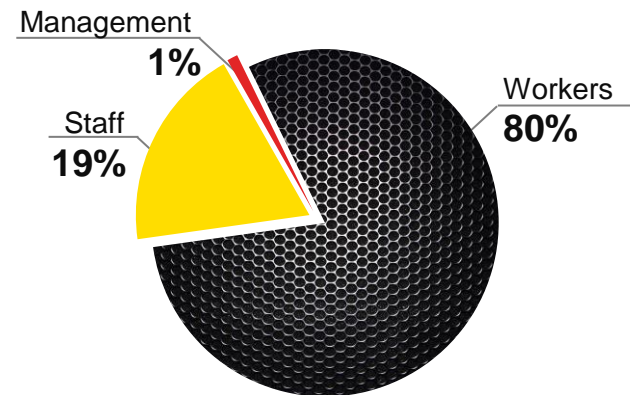
## People by Region



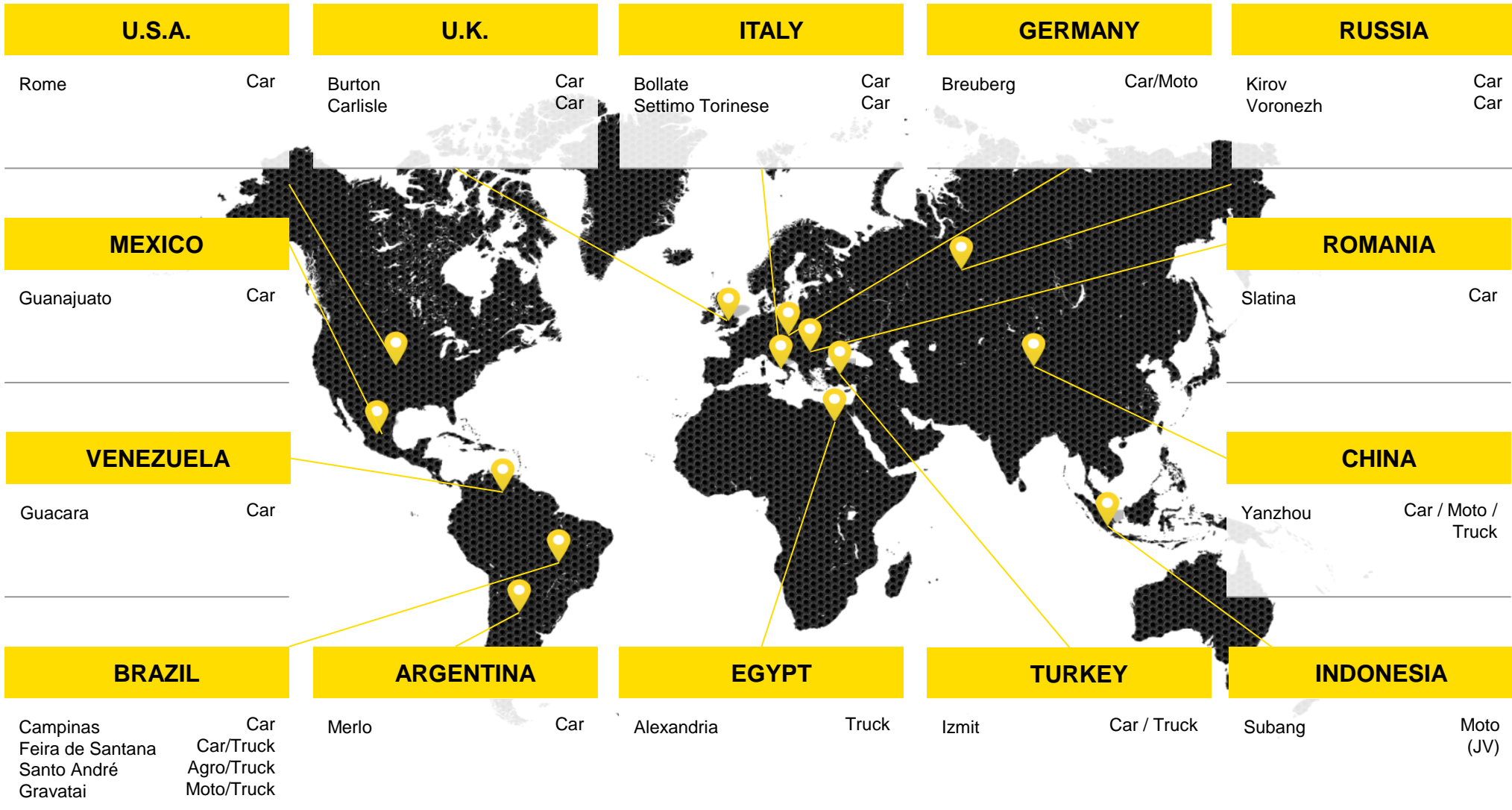
## People by Contract



## People by Cluster

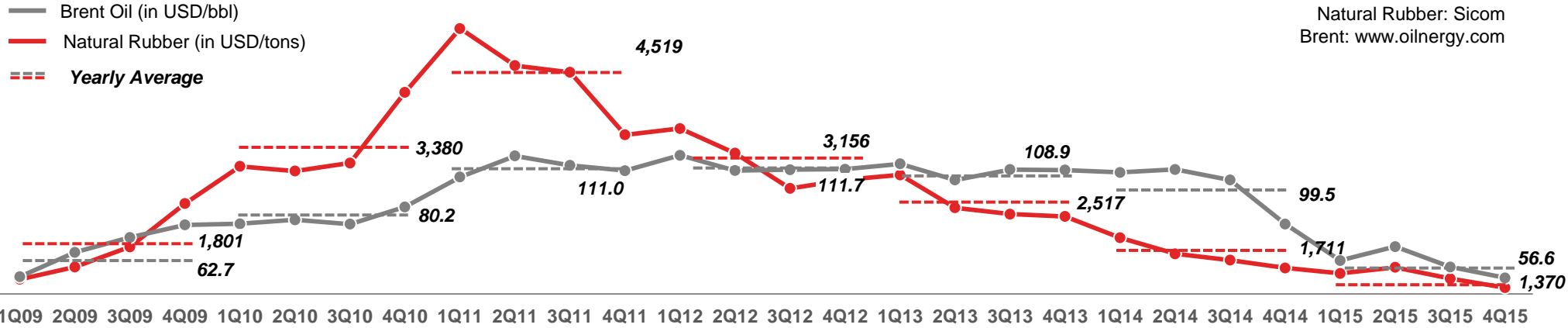


# PIRELLI PLANTS IN THE WORLD



# RAW MATERIALS

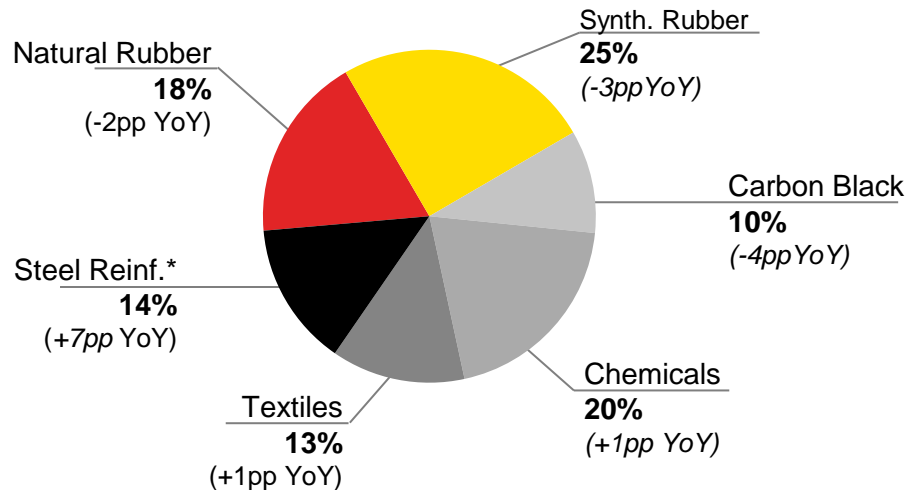
## Raw Material Price Trend



## FY 2015 Mix (Based on Purchasing Cost)

**33%**

Raw mat. costs  
on sales



\* Beadwire + Rodwire up to 2014 / Beadwire + Steeltcord starting from 2015



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