



PRESS RELEASE

**PIRELLI & C. SPA BOARD OF DIRECTORS APPROVES RESULTS FOR NINE MONTHS ENDED
30 SEPTEMBER 2010:**

**MARKED IMPROVEMENT IN OPERATING RESULTS FOR FIRST NINE MONTHS COMPARED WITH
SAME PERIOD IN 2009**

PIRELLI & C. GROUP

- **REVENUES: +18.9% to 3,703.4 MILLION EUROS (3,114.7 MILLION EUROS ON 30 SEPT 2009)**
 - **OPERATING RESULT: +69.7% TO 309.6 MILLION EUROS (182.4 MILLION EUROS ON 30 SEPT 2009)**
- **NET INCOME OF CONTINUING OPERATIONS 164.1 MILLION EUROS, MORE THAN THREE TIMES THE 50.0 MILLION EUROS OF THE FIRST NINE MONTHS 2009**
- **TOTAL NET CONSOLIDATED RESULT NEGATIVE FOR 101.5 MILLION EUROS DUE TO THE ACCOUNTING EFFECT OF THE SEPARATION OF PIRELLI RE (NEGATIVE FOR 265.6 MILLION EUROS)**
- **OPERATING CASH FLOW POSITIVE FOR 119.0 MILLION EUROS (174.6 MILLION EUROS FIRST NINE MONTHS 2009); INVESTMENTS GROW TO 227.3 MILLION EUROS (102.3 MILLION EUROS FIRST NINE MONTHS 2009); NET FINANCIAL POSITION NEGATIVE FOR 704.9 MILLION EUROS (-528.8 MILLION EUROS ON 31 DEC 2009)**

PIRELLI TYRE

- **REVENUES: +20.3% TO 3,559.1 MILLION EUROS (2,958.6 MILLION EUROS ON 30 SEPT 2009); OPERATING RESULT: +50.1% TO 334.3 MILLION EUROS (222.7 MILLION EUROS FIRST NINE MONTHS 2009), WITH EBIT MARGIN RISING TO 9.4% FROM 7.5%**
- **REVENUES IN THE THIRD QUARTER: +18.3% TO 1,233.8 MILLION EUROS (1,042.7 MILLION EUROS THIRD QUARTER 2009); OPERATING RESULT: +36.2% TO 117.0 MILLION EUROS (85.9 MILLION THIRD QUARTER 2009), WITH EBIT MARGIN RISING TO 9.5% FROM 8.2%**

Milan, 3 November 2010 – The Board of Directors of Pirelli & C. SpA, which met today, reviewed and approved the interim financial statements for the nine months ended **30 September 2010**.

The first nine months of 2010 confirmed the positive performance already recorded in the first half of the year, **underscoring a marked improvement in operating results compared with the same period a year earlier**.

Pirelli & C. SpA Group

At the consolidated level, **revenues** to 30 September 2010 totaled 3,703.4 million euros, an increase of 18.9% compared with 3,114.7 million euros in the first nine months of 2009.

In the third quarter, in particular, revenues were 1,276.9 million euros, an increase of 17.3% compared with 1,088.5 million euros in the third quarter 2009.

The **operating result (EBIT) to 30 September 2010 including restructuring charges** of 12.4 million euros (28.1 million 30 September 2009) was 309.6 million euros, an increase of 69.7% from 182.4 million

euros in the same period of 2009. The margin as a percentage of revenues, 8.4%, shows a significant improvement from the 5.9% recorded in the first nine months of 2009. In the third quarter, in particular, the **operating result (EBIT) including restructuring charges** was 116.2 million euros, growing 82.7% from 63.6 million euros in the third quarter of 2009, with the margin as a percentage of revenues rising to 9.1% from 5.8%.

The **net result excluding discontinued operations** was positive 164.1 million euros, more than three times the 50.0 million euros recorded for the first nine months of 2009. The figure also includes capital gain of 18.4 million euros following the market sale in the third quarter of the entire stake held in Oclaro Inc (formerly Avanex), a company active in second generation photonics.

Including the effect of discontinued operations, linked to the separation of Pirelli RE which concluded on October 25th, 2010, the net result was negative 265.6 million euros (202.9 million euros for aligning book value with market value, 32.9 million following reversal of goodwill recognized in the consolidated accounts of Pirelli & C. allocated to Pirelli RE and 0.8 million euro attributable to the operation's direct transaction costs, together with Pirelli RE's negative net result of 29.0 million euros), the **total consolidated net result on 30 September 2010** was negative for 101.5 million euros, while the **net result attributable to Pirelli & C. SpA** was negative for 87.0 million euros (positive for 18.2 million euros on 30 September 2009).

Consolidated net equity on 30 September 2010 stood at 2,132.3 million euros compared with 2,494.7 million euros at the end of 2009 and 2,316.3 million euros on 30 June 2010. The **consolidated net equity attributable to Pirelli & C. SpA** totaled 1,823.2 million euros compared with 2,175.0 million euros at the end of 2009 and 2,004.9 million euros on 30 June 2010.

In the first nine months of 2010, net cash flow from operations was positive for 119.0 million euros (positive for 174.6 million euros in the same period of 2009). The group's **net financial position** on 30 September 2010 was negative for 704.9 million euros compared with -528.8 million euros at the end of December 2009 (-696.9 million euros on 30 June 2010), with the difference essentially due to the cash out for restructuring (51.8 million euros) and dividends paid (85.1 million euros).

On 30 September 2010, **group employees** totaled 31,050 compared with 29,570 on 31 December 2009 and 30,989 on 30 June 2010.

With regard to the separation of Pirelli Real Estate, as approved by the Board of Directors on 4 May 2010 and by shareholders at their meeting on 15 July 2010, the activities of the Pirelli Real Estate group are classified as discontinued operations and in the income statement are booked as a single item, which includes Pirelli Real Estate's net result, the fair value adjustment of Pirelli Real Estate's activities and the direct costs attributable to the transaction; this item alone contributes to the group's net result. For the sake of comparison/For the purposes of homogeneity, the figures for 2009 have been reclassified in the same manner.

Pirelli Tyre

The **revenues of Pirelli Tyre** to 30 September 2010 totaled 3,559.1 million euros, an increase of 20.3% compared with 2,958.6 million euros in the same period of 2009. On a like-for-like basis, growth in the first nine months was 16.7%, with a positive contribution coming from both volumes (+8.6%) and the price/mix component (+8.1%), while foreign exchange brought an increase of 3.6%.

In the **third quarter**, in particular, sales totaled 1,233.8 million euros, an increase of 18.3% from 1,042.7 million euros in the third quarter 2009. In the period, the organic growth reached 14.1%, with volumes up 1.8% and the price/mix component up 12.3%. The positive contribution from foreign exchange in the quarter was 4.2%. The operating result for the quarter rose 36.2% to 117 million euros from 85.9 million euros in the third quarter of 2009, with the margin as a percentage of revenues climbing to 9.5% from 8.2%.

Overall, there was significant growth in both business segments. In the Consumer segment, the increase in the first nine months of the year was 16.9% (+16.5% in the first quarter, +19.1% in the second quarter and +15.1% in the third quarter). In the Industrial segment, the increase was 28.8% (+28.4% in the first quarter, +32% in the second quarter and +26.1% in the third quarter).

The **gross operating result (Ebitda) before restructuring costs** was 496.9 million euros, an increase of 29.8% compared with 382.8 million euros on 30 September 2009, with a margin as a percentage of sales equal to 14.0% (12.9% on 30 September 2009). In the third quarter, in particular, Ebitda amounted to 173.0 million euros (142.0 million euros in the third quarter 2009), with the Ebitda margin rising to 14.0% compared with 13.6% in the same period in 2009.

The **operating result (Ebit) before restructuring charges** was 346.7 million euros, an increase of 44% from 240.8 million euros in the first nine months of 2009, and a margin as a percentage of revenues of 9.7% (8.1% on 30 September 2009). In the third quarter, in particular, the Ebit margin before restructuring costs was 9.8% compared with 9.0% in the third quarter 2009.

The **operating result after restructuring charges** on 30 September 2010 was **334.3 million euros, an increase of 50.1% compared with 222.7 million euros in the first nine months of 2009**, with a margin as a percentage of revenues of 9.4% (7.5% in the same period of 2009). In the third quarter, in particular, the operating result after restructuring charges amounted to 117.0 million euros, an increase of 36.2% compared with 85.9 million euros in the same period in 2009 and a margin as a percentage of sales rising to 9.5% from 8.2% in the third quarter 2009.

Net income on 30 September 2010 rose to 176.6 million euros (after financial charges and income from equity investments of 52.3 million euros, and tax burden/fiscal charges of 105.4 million euros) from 90.9 million euros in the same period of 2009. In the third quarter, net income was 66.2 million euros compared with 36.7 million euros in the same period of 2009.

In the **Consumer (car/light truck and motorcycle tyres) segment**, revenues in the first nine months of 2010 totaled 2,463.8 million euros, an increase of 16.9% from 2,108.0 million euros in the same period of 2009, while the operating result from recurring/ordinary activities before restructuring charges was 234.7 million euros (160.5 million euros on 30 September 2009), with a margin as a percentage of revenues of 9.5% (7.6% in the same period of 2009). The increase in sales volume was 7.1%, with the addition of a price/mix increase of 7.0%, accompanied by a consequent organic increase in sales of 14.1%. Foreign exchange had a positive impact of 2.8%.

In the third quarter, in particular, revenues totaled 847.1 million euros, an increase of 15.1% compared with 736.0 million euros in the same period of 2009 and an improvement in profitability both in absolute value (operating result before restructuring charges rising to 80.5 million euros from 64.1 million euros) and in terms of percentages (Ebit margin before restructuring charges rose to 9.5% from 8.7%).

In the first nine month of the year, the Original Equipment and Replacement channels both showed signs of market recovery with respect to the same period of 2009. In Original Equipment there was growth in all areas, with Europe up 15%, Nafta up 54% and Mercosur up 15%. In the Replacement channel there was a 9% increase in Europe, a 5% increase in Nafta and a 16% increase in Mercosur.

In the **Industrial (tyres for industrial vehicles and steelcord)** business segment, total revenues amounted to 1,095.3 million euros, an increase of 28.8% compared with 850.6 million euros in the same period of 2009, while the operating result from recurring/ordinary activities before restructuring charges was 112.0 million euros, with a margin as a percentage of revenues of 10.2%, compared with 80.3 million euros on 30 September 2009, and a margin as a percentage of revenues of 9.4%. Organic growth in revenues amounted to 23.3%, sales volumes were 12.3% higher in total compared with the first nine months of 2009, while the rise in the price/mix component reached 11.0% and foreign exchange had a positive impact of 5.5%.

In the third quarter, revenues were 386.7 million euros (306.7 million euros in the third quarter 2009) and the operating result from ordinary activities before restructuring charges was 41.0 million euros

(30.2 million euros in the third quarter 2009), with an improvement of the margin as a percentage of revenues to 10.6% compared with 9.8% in the third quarter 2009.

As for the Industrial segment, the market also recovered in both sales channels when compared to the critical situation in the first nine months of 2009, above all in Mercosur (+58% in Original Equipment and +23% in Replacement). Sales also rose in Europe with Replacement +46% and Original Equipment +22%.

The number of **employees** on 30 September 2010 stood at 29,118, an increase of 1,637 (of which 929 are temporary) compared with 31 December 2009.

Outlook for 2010

On 14 October 2010, the Board of Directors once again raised 2010 targets. For the Pirelli & C. Group revenues are expected to reach approximately 4.8 billion euros (considering the reclassification of Pirelli Broadband Solutions as a discontinued operation following the announced sale), the Ebit margin is expected to be above 7.5% with Ebit of approximately 380 million euro and net financial debt below 700 million euros. For Pirelli Tyre, revenues for 2010 are estimated at more than 4.7 billion euros, with an Ebit margin above 8.5% and Ebit of approximately 420 million euros.

Significant events since 30 September 2010

Pirelli's development plans for Argentina were announced on **20 October 2010**. These aim to increase production capacity and reinforce Pirelli's existing leadership in Latin America, where the group's activities began 100 years ago. The plans call for investment of 100 million dollars by 2013, of which approximately 20 million dollars will be spent in 2010 in order to make technological and qualitative improvements, as well as increase capacity. By the end of the period, output will be above an estimated six millions units per year, an increase of more than one million units from the present five million.

On **21 October 2010**, Pirelli & C. S.p.A. and Advanced Digital Broadcast Holdings SA (ADB), a company listed in Switzerland, signed an agreement based on which ADB will acquire 100% of Pirelli Broadband Solutions SpA, a company 100%-owned by Pirelli & C. SpA. A total consideration of approximately 30 million euros was agreed upon, net of reserves of 8.6 million euros disbursed by PBS to Pirelli & C. last September. The price negotiated, which will be paid at the closing, consists of 22 million euros in cash and 400,000 ADB shares, equal to approximately 7.2% of capital.

The separation of Pirelli & C. Real Estate SpA (Pirelli Re) from Pirelli & C was completed on **25 October 2010**. In order to comply with accounting regulations, Pirelli & C. SpA's separate financial statements were restated to reflect the loss resulting from the transaction which, based on Pirelli Re's official stock market price on the above-mentioned closing date (0.4337 euro), rose from 178,813,982.89 euros to 211,312,328.00 euros. There was, consequently, also a change in net equity of 32,498,345 euros. At the same time, following the assignment of Pirelli Re shares (now Prelios SpA), Pirelli & C. SpA booked a loss of approximately 118.3 million euros in its income statement equal to the difference between the loss as calculated above and the net book value of Prelios SpA shares. The impact of the transaction on the **consolidated financial statements** was a negative 219.2 million euros, inclusive of the recognition in the income statement of the above mentioned loss previously recognized at equity in Pirelli & C. SpA's financial statements and relative to Pirelli RE-Prelios (approximately 32 million euros), as well as the elimination of goodwill allocated to the real estate business (approximately 33 million euros).

Industrial Plan 2011-2013, Vision 2015

The *Industrial Plan 2011-2013, Vision 2015* will be presented tomorrow at a meeting with the financial community. Pirelli & C. SpA's Chairman, Marco Tronchetti Provera and the group's top management will be present. Journalists may follow the meeting from the press room at the company's headquarters. The event and slide presentation may also be seen via webcast – in real time – at www.pirelli.com in the Investors Relations section.

Amendments to the Bylaws

The Board of Directors approved a number of amendments to the bylaws to update them for the mandatory changes introduced not only by Decree 27/2010, in implementation of Directive 2007/36/CE in Italy aimed at facilitating participation at general meetings by shareholders of listed companies, but also of Decree 39/2010, in implementation of Directive 2006/43/CE, relative to statutory audits of annual and consolidated accounts.

Approval of Procedures for Related Party Transactions

In accordance with Consob Regulation no. 17221/2010 and having obtained the favourable opinion of the Audit, Risk and Corporate Governance Committee (entirely made up of independent directors), the Board of Directors also approved a set of "Procedure for related party transactions" and has entrusted the Audit, Risk and Corporate Governance Committee with the task of also serving "Committee for related party transactions" with the exception of remuneration issues entrusted to the Remuneration Committee.

The new bylaws and the new procedures for related party transactions will be published on the Company website at www.pirelli.com.

Calendar of 2011 Corporate Events

The calendar for board and shareholder meetings to be held in 2011 follows:

8 March 2011: Board of Directors meeting to review draft and consolidated financial statements at 31 December 2010

27 April 2011 (first call), 28 April 2011 (second call): Annual General meeting to approve 2010 financial statements.

6 May 2011: Board of Directors meeting to review the interim financial report at 31 March 2011.

27 July 2011: Board of Directors meeting to review the half year financial report at 30 June 2011.

3 Novembre 2011: Board of Directors meeting to review the interim financial report at 30 September 2011.

The interim financial report at 30 September 2010 will be available at the company's registered office and at the Italian Stock Exchange (*Borsa Italiana SpA*). The same report will also be published on the company website (www.pirelli.com), by 10 November 2010.

Il Dirigente Preposto alla redazione dei documenti contabili societari di Pirelli & C. S.p.A., Dott. Francesco Tanzi, dichiara ai sensi del comma 2 dell'articolo 154 bis del Testo Unico della Finanza che l'informativa contabile contenuta nel presente comunicato corrisponde alle risultanze documentali, ai libri e alle scritture contabili.

Nel presente comunicato stampa, in aggiunta alle grandezze finanziarie previste dagli IFRS, vengono presentate alcune grandezze derivate da queste ultime ancorchè non previste dagli IFRS (« Non-GAAP Measures »). Tali grandezze sono presentate al fine di consentire una migliore valutazione sull'andamento della gestione di Gruppo e non devono essere considerate alternative a quelle previste dagli IFRS. In particolare, le « Non-GAAP Measures » utilizzate sono le seguenti:

Margine Operativo Lordo (EBITDA): tale grandezza economica è utilizzata dal Gruppo come financial target nelle presentazioni interne (business plan) e in quelle esterne (agli analisti e agli investitori) e rappresenta un'utile unità di misura per la valutazione delle performance operative del Gruppo nel suo complesso e dei singoli settori d'attività in aggiunta al Risultato Operativo. Il Margine Operativo Lordo è una grandezza economica intermedia che deriva dal Risultato Operativo dal quale vengono esclusi gli Ammortamenti delle immobilizzazioni materiali e immateriali.

Attività fisse: tale grandezza è costituita dalla sommatoria delle voci "Immobilizzazioni materiali", "Immobilizzazioni immateriali", "Partecipazioni in imprese collegate e JV" e "Altre attività finanziarie";

Fondi: tale grandezza è costituita dalla sommatoria delle voci "Fondi per rischi e oneri (correnti e non correnti)", "Fondi del personale" e "Fondi per imposte differite";

Capitale circolante netto: tale grandezza è costituita da tutte le altre voci non comprese nelle due grandezze citate, nel "Patrimonio netto" e nella "Posizione finanziaria netta";

Posizione finanziaria netta: tale grandezza è rappresentata dal debito finanziario lordo ridotto della cassa e delle altre disponibilità liquide equivalenti, nonchè degli altri crediti finanziari .

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In allegato i prospetti relativi al conto economico, ai dati patrimoniali in forma sintetica e al rendiconto finanziario consolidati. In ottemperanza alla Comunicazione Consob n. 6064291 del 28 luglio 2006, si informa che tali schemi non sono oggetto di verifica da parte della società di revisione.

PIRELLI & C. S.p.A. GROUP

(million euros)

	3° Q 2010	3° Q 2009	09/30/2010	09/30/2010	12/31/2009
Sales	1,276.9	1,088.5	3,703.4	3,114.7	4,198.5
Gross operating profit before restructuring expenses	176.0	132.5	483.1	361.2	513.1
% on sales	13.8%	12.2%	13.0%	11.6%	12.2%
Operating profit before restructuring expenses	120.7	82.0	322.0	210.5	309.4
% on sales	9.5%	7.5%	8.7%	6.8%	7.4%
Restructuring expenses	(4.5)	(18.4)	(12.4)	(28.1)	(55.7)
Operating profit	116.2	63.6	309.6	182.4	253.7
% on sales	9.1%	5.8%	8.4%	5.9%	6.0%
Earnings (losses) from investments	22.0	5.8	18.0	(1.2)	(11.6)
Financial income (expenses)	(15.6)	(16.4)	(53.6)	(54.8)	(69.8)
Income taxes	(39.3)	(33.3)	(109.9)	(76.4)	(90.1)
Income (loss) from continuing operations	83.3	19.7	164.1	50.0	82.2
Discontinued operations	(9.2)	(16.0)	(265.6)	(58.7)	(104.8)
Total income (loss)	74.1	3.7	(101.5)	(8.7)	(22.6)
Income (loss) attributable to Pirelli & C. S.p.A.			(87.0)	18.2	22.7
Earnings per share (in euro) (*)			(0.178)	0.037	0.047
Fixed assets in continuing operations			2,986.2	3,490.0	3,596.2
Net working capital in continuing operations			107.7	511.0	221.8
Net capital invested in continuing operations			3,093.9	4,001.0	3,818.0
Net capital invested in discontinued operations			587.6		
Total net capital invested			3,681.5	4,001.0	3,818.0
Equity			2,132.3	2,570.7	2,494.7
Provisions, continuing operations			783.9	738.9	794.5
Provisions, discontinued operations			60.4		
Net financial (liquidity) / debt position continuing operations			616.6	691.4	528.8
Net financial (liquidity) / debt position discontinued operations			88.3		
Equity attributable to the equity holders of Pirelli & C. S.p.A.			1,823.2	2,244.9	2,175.0
Equity per share (in euro) (*)			3.736	4.600	4.457
Headcount (number at period-end)			31,050	29,509	29,570
Factories			20	23	21
Pirelli & C. shares					
ordinary shares (number in millions)			475.7	5,233.1	5,233.1
<i>of which treasury shares</i>			0.4	3.9	3.9
savings shares (number in millions)			12.3	134.8	134.8
<i>of which treasury shares</i>			0.4	4.5	4.5
Total shares (number in millions)			488.0	5,367.9	5,367.9

(*)the attribution per share in 2009 was reclassified on a like-for-like basis after the grouping of shares subsequent to the shareholders' decision of 15 July 2010 (ratio 1 to 11)

Data by Business Sector

09/30/2010 (million Euros)

	Tyre	Eco Technology	Broadband Access	Others (*)	Total
Sales	3,559.1	46.6	85.1	12.6	3,703.4
Gross operating profit (loss) before restructuring exp.	496.9	(4.5)	3.0	(12.3)	483.1
Operating profit (loss) before restructuring exp.	346.7	(6.3)	2.3	(20.7)	322.0
Restructuring expenses	(12.4)	-	-	-	(12.4)
Operating profit (loss) (EBIT)	334.3	(6.3)	2.3	(20.7)	309.6
Earnings (losses) from investments	0.4	-	-	17.6	18.0
Financial income (expenses)	(52.7)	(1.4)	0.9	(0.4)	(53.6)
Income taxes	(105.4)	(0.6)	0.6	(4.5)	(109.9)
Income (loss) from continuing operations	176.6	(8.3)	3.8	(8.1)	164.1
Income from discontinued operations	-	-	-	-	(265.6)
Income (loss)	176.6	(8.3)	3.8	(8.1)	(101.5)
Net financial (liquidity) / debt position continuing operations	1,205.0	38.8	(12.9)	(614.3)	616.6
Net financial (liquidity) / debt position discontinued operations					88.3
Net financial (liquidity) / debt position					704.9

09/30/2009 (million Euros)

	Tyre	Eco Technology	Broadband Access	Others (*)	Total
Sales	2,958.6	38.8	103.1	14.2	3,114.7
Gross operating profit (loss) before restructuring exp.	382.8	(7.2)	3.6	(18.0)	361.2
Operating profit (loss) before restructuring exp.	240.8	(8.8)	2.9	(24.4)	210.5
Restructuring expenses	(18.1)	-	-	(10.0)	(28.1)
Operating profit (loss) (EBIT)	222.7	(8.8)	2.9	(34.4)	182.4
Earnings (losses) from investments	3.8	-	-	(5.0)	(1.2)
Financial income (expenses)	(59.7)	(1.9)	0.1	6.7	(54.8)
Income taxes	(75.9)	-	0.5	(1.0)	(76.4)
Income (loss) from continuing operations	90.9	(10.7)	3.5	(33.7)	50.0
Income from discontinued operations	-	-	-	-	(58.7)
Income (loss)	90.9	(10.7)	3.5	(33.7)	(8.7)
Net financial (liquidity) / debt position continuing operations	1,298.6	42.9	(17.9)	(588.7)	734.9
Net financial (liquidity) / debt position discontinued operations					(43.5)
Net financial (liquidity) / debt position					691.4

(*) The item includes Pirelli Ambiente, PZero S.r.l., all the financial companies (including the parent company), the other services companies, and for Sales, items eliminated in the consolidation phase

Rendiconto Finanziario

(million Euros)

	1° Q 2010	1° Q 2009	2° Q 2010	2° Q 2009	3° Q 2010	3° Q 2009	09.30.2010	09.30.2009
Operating profit (EBIT) before restructuring exp.	90.4	52.5	110.9	76.0	120.7	82.0	322.0	210.5
Amortization	51.8	49.7	54.0	50.5	55.3	50.5	161.1	150.7
Material and Immaterial Investments	(50.1)	(36.3)	(85.4)	(29.1)	(91.8)	(36.9)	(227.3)	(102.3)
Variation working capital/other	(156.7)	(258.8)	40.7	77.0	(20.8)	97.5	(136.8)	(84.3)
FREE CASH FLOW	(64.6)	(192.9)	120.2	174.4	63.4	193.1	119.0	174.6
Financial income/expenses	(16.5)	(20.4)	(21.5)	(18.0)	(15.6)	(16.4)	(53.6)	(54.8)
Income taxes	(30.5)	(24.2)	(40.1)	(18.9)	(39.3)	(33.3)	(109.9)	(76.4)
OPERATING CASH FLOW	(111.6)	(237.5)	58.6	137.5	8.5	143.4	(44.5)	43.4
Financial Investments/divestments	-	37.9	-	78.1	9.8	129.4	9.8	245.4
Dividends paid out	-	-	(85.1)	(2.4)	-	-	(85.1)	(2.4)
Cash Out for restructuring	(34.0)	(39.0)	(10.4)	(8.3)	(7.4)	(7.4)	(51.8)	(54.7)
Pirelli & C. Real Estate net cash flow	(14.0)	(19.8)	(6.5)	(28.1)	(26.5)	380.9	(47.0)	333.0
Pirelli RE capital increase underwritten by Pirelli & C.						(231.9)	-	(231.9)
Exchange rate differences/other	10.0	7.2	24.9	(5.5)	7.6	1.8	34.9	1.7
NET CASH FLOW	(149.6)	(251.2)	(18.5)	171.3	(8.0)	416.2	(176.1)	336.3