



## PRESS RELEASE

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### **PIRELLI CONCLUDES 500 MILLION EURO, 5-YEAR BOND ISSUE**

### **OVER 4.5 BILLION EUROS OF REQUESTS RECEIVED, MORE THAN 9 TIMES THE OFFER SIZE**

*Milan, 10 February 2011* – Pirelli & C. S.p.A. today successfully concluded the placement of a fixed-rate, unrated bond issue worth a nominal 500 million euros on the Eurobond market. The offering, to international institutional investors, was positively received and more than 9 times oversubscribed, attracting total bids in excess of 4.5 billion euros. Over 93% was placed with investors outside Italy.

The bond issue, executed in accordance with decisions taken by the Board of Directors of Pirelli & C. on 29 July 2010, is one of a number of actions aimed at optimizing the group's debt structure by lengthening its average duration and diversifying funding sources.

The notes have the following characteristics:

- issuer: Pirelli & C S.p.A.
- guarantor: Pirelli Tyre S.p.A.
- amount: € 500 million
- settlement date: 22 February 2011
- maturity date: 22 February 2016
- coupon: 5.125%
- issue price: 99.626%
- redemption price: 100%
- minimum denomination: € 100,000 and additional multiples of € 1,000

The effective yield at maturity is 5.212%, which corresponds to a yield of 230 basis points above the corresponding reference rate (mid swap). The notes will be listed on the Luxembourg Stock Exchange.

The placement was managed by Barclays Capital, acting as global coordinator, Banca IMI, Mediobanca, SG CIB and Unicredit as joint bookrunners.

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