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Testo del comunicato

Vedi allegato.

PIRELLI

PRESS RELEASE

PIRELLI & C. SPA BOARD APPROVES RESULTS FOR QUARTER ENDED 31 MARCH 2015

FURTHER STRENGTHENING OF PREMIUM, WHICH TODAY REPRESENTS ABOUT 59% OF CONSUMER REVENUES (COMPARED WITH 57% IN FIRST QUARTER Q1 2014); PREMIUM VOLUMES GREW +10%

EFFICIENCIES OF 21.1 MILLION EURO, EQUAL TO 23% OF FULL-YEAR TARGET

CONSOLIDATED RESULTS

- REVENUES: 1,568.4 MILLION EURO, GROWTH OF 6.5% COMPARED WITH 1,473.2 MILLION EURO ON 31 MARCH 2014; +2.4% EXCLUDING POSITIVE FOREX EFFECT OF +4.1%
- EBIT: +4.5% TO 210.1 MILLION EURO (201.0 MILLION EURO ON 31 MARCH 2014)
- EBIT MARGIN 13.4% (13.6% ON 31 MARCH 2014), EBIT MARGIN BEFORE RESTRUCTURING CHARGES 13.6% (14% ON 31 MARCH 2014)
- NET PROFIT FOR CONTINUING OPERATIONS: +12.2% TO 101.4 MILLION EURO (90.4 MILLION ON 31 MARCH 2014)
- NET FINANCIAL POSITION NEGATIVE 1,732.9 MILLION EURO (1,965.6 MILLION EURO ON 31 MARCH 2014 AND 979.6 MILLION ON 31 DECEMBER 2014), IN LINE WITH USUAL BUSINESS SEASONALITY

TYRE ACTIVITIES

- REVENUES: 1,565.3 MILLION EURO, AN INCREASE OF 6.5% COMPARED WITH 1,469.5 MILLION ON 31 MARCH 2014; +2.4% EXCLUDING POSITIVE FOREX EFFECT (+4.1%)
- PREMIUM REVENUES: 726.9 MILLION EURO, AN INCREASE OF 13.6% COMPARED WITH 639.9 MILLION ON 31 MARCH 2014
- PRICE/MIX IMPROVES TO +3.7% AS A RESULT OF GOOD PREMIUM PERFORMANCE
- TOTAL VOLUMES -1.3% (CONSUMER +0.4%, INDUSTRIAL -6.7%) BECAUSE OF MARKET DECLINE IN LATAM AND RUSSIA
- EBIT: +4.1% TO 213.3 MILLION EURO (204.9 MILLION ON 31 MARCH 2014)
- EBIT MARGIN 13.6% (13.9% ON 31 MARCH 2014); EBIT MARGIN BEFORE RESTRUCTURING CHARGES 13.8% (14.3% ON 31 MARCH 2014)

2015 TARGETS

- CONSOLIDATED EBIT CONFIRMED AT ~930 MILLION EURO AFTER RESTRUCTURING EXPENSES OF ABOUT 40 MILLION EURO

- **TOTAL REVENUES CONFIRMED AT ~6.4 BILLION EURO DERIVING FROM:**
  - **VOLUMES' GROWTH EXPECTED AT ABOUT +2% (PREVIOUS ESTIMATE: EQUAL TO ABOVE +3%). PREMIUM GROWTH CONFIRMED AT EQUAL TO OR ABOVE +10% WITH AN ACCELERATION IN EMERGING MARKETS, APAC IN PARTICULAR**
  - **PRICE/MIX GROWTH EXPECTED AT AROUND +4% (PREVIOUS ESTIMATE: EQUAL TO OR ABOVE +4%)**
  - **POSITIVE EXCHANGE RATE EFFECT OF ABOUT +1% (PREVIOUS ESTIMATE: ~-1%) IN CONSIDERATION OF THE APPRECIATION OF THE US DOLLAR**

- **INVESTMENTS CONFIRMED AT BELOW 400 MILLION EURO**

- **CASH GENERATION BEFORE DIVIDENDS CONFIRMED AT EQUAL TO OR ABOVE 300 MILLION EURO BEFORE THE DISPOSAL OF STEELCORD**

- **NET FINANCIAL POSITION ESTIMATED ABOUT 850 MILLION EURO**

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As a consequence of the underwriting of the agreement for the sale of 100% of the steelcord activities, signed on February 28 2014, this business has been classified as a "discontinued operation" and consequently the results for 2014 and for the first quarter of 2015 have been reclassified in the accounts under the heading "results for disposed operating activities". The economic indicators for the first quarter of 2015, as well as the comparative data for first quarter 2014, refer to continuing operations.

Milan, 13 May 2015 – The Board of Directors of Pirelli & C. SpA today reviewed and approved the **intermediary results for the quarter ended 31 March 2015**. The results for the first quarter of 2015, which show growth in the main economic indicators, were characterized in particular by:

- further strengthening of the Premium segment, as seen in the 10% volume growth. In line with 2015 guidance, in particular in emerging markets, Apac, Latam, Meai and Russia, where Pirelli increased its market share; while the growth trend in Europe and Nafta is in line with the market's performance. Premium climbed to about 59% of Consumer revenues, an improvement of 2 percentage points compared with the first quarter of 2014;
- revenue growth of 6.5% (+2.4% at the organic level), in line with full-year targets thanks to the positive performance of Consumer business (+9.6%), while the Industrial business (revenues -3.8%) continues to discount the general decline of the market, in particular in South America;
- The positive performance of the price/mix component (+3.7%), in line with 2015 guidance;
- The positive Consumer volumes (+0.4%), with Premium the growth of Premium (+10%) offsetting weakness in non-Premium. The Industrial business (volumes -6.7%) discount the weakness of the truck and agro market in South America. Total volumes saw a decline of 1.3%;
- The achievement of efficiencies of 21.1 million euro (23% of the full-year target of 90 million euro) in the context of the 4-year (2014-2017) efficiency plan of 350 million euro announced in November 2013 (92 million euro efficiencies achieved in 2014);
- The growth of the operating result (Ebit) by 4.5% to 210.1 million euro compared with the first quarter of 2014, with an Ebit margin of 13.4% (substantially in line with 13.6% in the first quarter of 2014);
- net result of continuing operations of 101.4 million euro (+12.2% compared with 90.4 million in the first quarter of 2014);
- Net financial position of negative 1,732.9 million euro, compared with negative 979.6 million euro on 31 December 2014 due to the seasonality of working capital which entails the usual increase of commercial credits in the first quarter of the year in view of their receipt in the second quarter.

Consolidated results

At the consolidated level, **revenues** on 31 March 2015 amounted to 1,568.4 million euro, with an increase of 6.5% compared with 1,473.2 million euro in the first quarter of 2014 (+2.4% growth net of positive forex effect of 4.1%).

The **gross operating margin (EBITDA) before restructuring charges** of 291.9 million euro, an increase of 5.3% compared with 277.3 million euro in the same period of 2014.

The operating result (Ebit) before restructuring charges was 213.4 million euro, an increase of 3.2% compared with 206.7 million euro in the same period of 2014. The **Ebit margin before restructuring charges** was 13.6% compared with 14% on 31 March 2014.

The **operating result (Ebit)** was 210.1 million euro, an increase of 4.5% compared with 201.0 million euro in the first quarter of 2014. The improvement of the operating result (+9.1 million euro) reflects for 8.4 million euro the improvement of the Ebit tyre, thanks to the positive performance of the operational variables, and for 0.7 million euro thanks to operational improvements in other activities. The operating result was impacted by restructuring charges of 3.3 million euro for ongoing efficiency actions (5.7 million euro on 31 March 2014). The **Ebit margin** was 13.4%, substantially stable compared with 13.6% on 31 March 2014.

The **result from shareholdings** on 31 March 2015 was negative 2.5 million euro, a marked improvement compared with -13.8 million euro in the first quarter of 2014. The figure principally refers to the impact derived from the consolidation with the net asset method of the affiliate Prelios S.p.A. (2.6 million euro the pro-quota loss in the fourth quarter of 2014).

The **net profit of continuing operations** was 101.4 million euro, an increase of 12.2% compared with 90.4 million euro in the corresponding period of 2014, after net financial charges of 52.1 million euro (43.3 million euro in the same period of 2014) including the impact on commercial credits of the Venezuelan Bolivar's devaluation and as a consequence of interest rate hikes in non-EU countries where Pirelli operates, in particular Brazil and Russia. As well as the improvement in the operating result, profit growth saw the contributions of results from shareholdings and a lower tax burden (tax rate at 34.8% compared with 37.2% in first quarter 2014). The **net result of the disposed operating activities** in the first quarter of 2015 was negative 16.8 million euro (+1.1 million euro in the first quarter 2014). This result if mainly due to an extraordinary accounting effect linked to the disposal, which took place in February 2015, of the steelcord unit in Turkey and consequent booking in accounts, during the first quarter of 2015, of past forex losses from consolidation, which had previously been included in net equity. As a consequence, **the total net profit** was 84.6 million euro compared with 91.5 million euro in the first quarter of 2014. **The net profit attributable to Pirelli & C. Spa,** including the result of "*discontinued operations*", amounted 82.0 million euro (89.7 million euro in the same period of 2014).

Net equity on 31 March 2015 totaled 2,877.1 million euro compared with 2,611.5 million euro on 31 December 2014. The **net equity attributable to Pirelli & C. S.p.A.** on 31 March 2015 were 2,811.4 million euro (5.761 euro per share) compared with 2,548.3 million euro on 31 December 2014 (5.222 euro per share).

The **consolidated net financial position** was negative 1,732.9 million euro compared with 1,965.6 million euro in the first quarter of 2014 and 979.6 million euro on 31 December 2014.
The **net cash flow from operations' management** in the first quarter of 2015 was negative 688.9 million euro (-474.6 million euro in the corresponding period of 2014), essentially due to the usual seasonality of net working capital, with a growth of commercial credits in proportion with the sales' performance for the quarter. Overall, there were investments made for about 85.6 million euro (65.3 million euro in 2014), mainly earmarked for increases in Premium capacity in Europe, Nafta and China and an improvement in

the mix. The **total net cash flow excluding the impact of the partial disposal of the *steelcord activities***, was negative for 777.7 million euro (negative for 643.2 million euro in 2014). The **total cash flow** was negative 753.3 million euro including the positive effect deriving from the disposal of the *steelcord* activities for 24.4 million euro.

Group **employees** on 31 March 2015 stood at 37,527 (37,561 on 31 December 2014).

Tyre Activities

Sales on 31 March 2015 totaled 1,565.3 million euro, with an increase of 6.5% compared with 1,469.5 million euro in the first quarter of 2014. Organic growth, before a positive forex impact of +4.1%, was +2.4%. The sales' performance was underpinned by the Consumer business (revenues +9.6%), while the Industrial business (-3.8%) discounts the market slowdown in particular in South America (-39% the decline in truck market volumes in Original Equipment; -8% in the Replacement channel). Total volumes declined by 1.3% as the result of the following dynamics:

- Volume growth in the Consumer segment (+0.4%), supported by good Premium performance in all main markets (+10%) while non-Premium (volumes -5.7%) mainly discounts the weakness of the Latam and Russian markets, in particular in the Original Equipment channel;
- The decline of Industrial volumes (-6.7%) as an effect of the weakness of the Original Equipment market in South America, where the crisis became accentuated from the second quarter of 2014, and the slowdown of the Replacement market in Latam, Europe and China.

The price/mix component registered growth of 3.7%, sustained by the performance of the Consumer business (price/mix +4.7%) which benefitted from the improvement in mix deriving from the greater weight of the Premium segment compared with the first quarter fo 2014, the major weight of sales on the Replacement segment, the diverse composition of the business at the regional level, which saw greater weight for the Nafta and Apac areas. The Industrial price/mix performance was substantially stable at -0.1%.

The operating result (Ebit) before restructuring charges on 31 March 2015 was 215.3 million euro, an increase of 2.4% compared with 210.3 million in the same period of 2014. The **Ebit margin before restructuring charges** was 13.8% (14.3% on 31 March 2014).

The **operating result (Ebit) after restructuring charges** on 31 March 2015 amounted to 213.3 million euro, an increase of 4.1% compared with 204.9 million euro on 31 March 2014, with an **Ebit margin** of 13.6% (13.9% in the first quarter of 2014).
The improvement of the operating result (Ebit) reflects the growth of internal levers of value creation: price/mix and efficiencies. In particular: :

- The positive contribution of the price/mix component (+31.0 million euro) and of efficiencies (21.1 million euro) more than offset the impact of the slight decline of volumes (-7.6 million euro), higher amortizations sand other costs (-18.5 million euro), as well as greater expenses (-12.1 million euro) mainly linked to the development of Premium;
- The lower cost of raw materials (+16.4 million euro) and the positive forex impact (+9.4 million euro) mitigated the negative effect of the inflation of production factors (34.6 million euro);
- Lower non-recurring charges of 3.3 million euro.

At the geographical level, **Apac** (10% of tyre revenues, about +2 percentage points compared with 2014) was confirmed as the area of greatest growth: +14.9% revenue increase in organic terms (+30.8% including forex impact), driven by high-end sales (+41.6% growth of Premium revenues*)* and an Ebit margin in the *high-teens*, stable compared with the prior year.
Nafta (13% of tyre revenues) registered growth of 17.3% (+20.1% positive forex impact). Premium Car had a positive performance, while the moto and non-Premium businesses reflect weak market demand. The revenue performance reflects the positive volumes' trend, mix improvement and the partial

adjustment of prices to the actual forex and raw materials scenario. Profitability (ebit margin) improved to mid-teen level with an increase of over 1 percentage point compared with the first quarter of 2014.
MEAI (8% of tyre revenues) is confirmed as one of the most profitable Regions, with profitability in the *high-teens* and stable compared with 2014, while revenues grew +6.3% (+13.8% including forex effect).
Europe (35% of tyre revenues) presents moderate revenue growth of 0.9% (+2.2% including forex effect), which reflects the unfavourable initial market performance in 2015 and comparison with the strong growth registered in the corresponding period of 2014 (+10% revenue growth in the first quarter of 2014). Premium sales increased, with a positive impact on price/mix, and profitability in the *low-teens,* stable compared with the first quarter of 2014.
Russia (3% of tyre revenues), notwithstanding an unfavourable context, saw organic sales' growth of 2.3% (-29.9% including forex impact), confirming *high single digit profitability*, stable compared with the first quarter of 2014 thanks to mix improvement and an efficiencies' programme.
Latam (31% of tyre revenues) registered revenue growth of 1.8% (+4.2% including forex effect). The revenue trend saw the contribution of the continuing improvement growth of the product mix, together with the price increases in Consumer in response to forex volatility. The protraction of the difficult market situation in the area, above all in Original Equipment, weighed on the volumes' performance resulting in an overall decline, despite the slight growth registered in the Car replacement channel and the positive Premium trend (volumes +19%), above the market. Profitability in the quarter stood at the *double digit* level, a decline of 1 percentage point compared with the first quarter of 2014, as a result of volumes' performance and costs linked to under-utilization of production capacity.

- In the ***Consumer business (Car/Light Truck and Moto tyres)***, sales were 1,237.4 million euro, with an increase of 9.6% compared with 1,128.7 million euro in the first quarter of 2014. Organic growth, before the positive forex effect of +4.5%, was 5.1%. Overall, volumes increased by 0.4%, with greater growth in mature markets (+2.6%), in Apac and Meai (mid-teen in both Regions), while the performances in Latam and Russia were impacted by the decline in the Original Equipment market (-15% Latam Original Equipment market, -25% in Russia).
  The price/mix component improved to +4.7%, principally as a consequence of the growing weight of Premium (58.7% of Consumer revenues in first quarter 2015 compared with 56.7% in 2014) and price increases in South America and Russia to counter the forex effect.

  Premium is confirmed as the growth driver, with a volumes' increase of 10.0% (+13.6% revenue increase), and with a positive trend in all Regions, mainly in the Apac area, in Middle East Africa and in Latam.

  The **operating result (Ebit after restructuring charges**) on 31 March 2015 grew 13.6% to 180.4 million euro, with an increase of 21.6 million euro compared with 158.8 million euro in the same period in 2014, with an Ebit margin of 14.6%, an increase compared with the preceding 14.1%. The growth of profitability reflects the improvement of the price/mix component (thanks to the weight of *Premium* in all Regions), the greater weight of the Replacement channel and the progressive achievement of the internal efficiencies.

- In the ***Industrial business (tyres for Industrial vehicles)*** sales were 327.9 million euro with a decline of 3.8% compared with 340.8 million euro in the same period of 2014. Revenues at the organic level, including a positive forex effect of 3%, registered a decline of 6.8%. Volumes saw a decline of 6.7% as a consequence of the shrinking of the Latin American market above all in Original Equipment, and to a lesser extent in the Replacement channel in Latin America, Europe and China. The price/mix component remained stable (-0.1%) reflecting the deferral of the expected price increases in Latam in consideration of the weakness of demand. These increases which were applied from the second quarter of 2015 will deliver an improvement in the price/mix over the course of the year.

The **operating result (Ebit after restructuring charges)** was 32.9 million euro (46.1 million euro in the first quarter of 2014), equal to 10% of sales compared with 13.5% in the same period of 2014. Excluding steelcord activities entirely, and not only those relative to third parties, the ebit margin for the first quarter of 2014 was 12.7%.

The performance of Industrial profitability, net of the contribution of steelcord, discounts the fall in volumes, the inflation of production costs in Latin America, as well as the costs linked to under-utilization of capacity in the area.

Events after 31 March 2015

On **16 April 2015** Pirelli and Rosneft, in the context of the Memorandum of Understanding signed in 2014, identified Synthos, a company headquartered in Poland and leader in the production of primary chemical materials, as the technological partner with which to develop activities of research, production and the supply of synthetic rubber in Nakhodka, in the context of the FEPCO petrochemical hub (Far East Petrochemical Company). Pirelli, Rosneft and Synthos signed a Memorandum of Understanding to conduct feasibility studies regarding activities for the requisites of engineering design and plant operation, as well as market studies, investments and estimates of operating costs. The three groups intend to utilize the FEPCO petrochemical hub to produce synthetic rubber with the goal of supplying, among others, Pirelli plants located in the Apac area.

On **April 20, 2015** Pirelli announced that, with reference to the ordinary Shareholders Meeting of Pirelli & C. SpA, two lists of candidates for nomination to the Audit Committee were deposited by Camfin S.p.A. and its unit Cam 2012 S.p.A., as well as by a group of savings management companies and financial intermediaries. The company also announced that Camfin SpA, with reference to the Shareholder Meeting's order of the day regarding the nomination of six members of the Board of Directors, will propose the confirmation as board members of Igor Sechin, Didier Casimiro, Andrey Kostin, Ivan Glasenberg, Petr Lazarev and Igor Soglaev – already co-opted on 10 July 2014 – thus leaving unchanged at fifteen the number of members of the Board of Directors. Andrey Kostin and Ivan Glasenberg declared their suitability to be qualified as independents.

2015 Outlook

Over the course of 2015 an improvement of the Consumer business is expected, thanks to the positive performance of the Premium segment the growth of which will be supported above all in emerging markets and North America and by exchange rate improvements. This performance will compensate the weakness of the industrial business, which is particularly accentuated in the Latam region. Pirelli thus confirms the 2015 targets indicated last February in terms of:

- Ebit equal to ~930 million euro after restructuring expenses of about 40 million euro
- Revenue growth of +6.5%/+7% at ~6.4 billion euro
- Investments below 400 million euro
- Cash generation before dividends equal to or above 300 million euro before disposal of steelcord

The targets foresee a net financial position at the end of 2015 of ~850 million euro.

Consolidated sales are seen growing by +6.5%/+7% to about 6.4 billion euro as an effect of:
- price/mix component growing by ~+4% (previous estimate: equal to or above +4%)
- Premium volumes' growth confirmed at equal to or above +10%
- total volumes' growth at ~+2% (previous estimate: equal to or above +3%), which discount the slowdown of the truck and agro market in Latam and Europe, and the Original Equipment Car market in Latam and Russia

- positive exchange rate effect estimated at ~+1% (previous indication: negative impact of ~-1%) following the appreciation of the dollar against the euro.

The target for the operating result (Ebit) after restructuring expenses is confirmed at ~930 million euro after restructuring expenses of about 40 million euro. The improvement of the exchange rate component and lower cost of raw materials – the benefit of the latter estimated at around 30 million euro compared with the previous 6 million euro – offset the impact of lower volumes and higher costs resulting from the separation of the Industrial Business Unit, estimated at ~10 million euro. As already announced on the occasion of the release of the figures for 2014, the targets cautiously assume the prolongation of the difficult economic situations in Venezuela and Argentina and if the macro-economic situation were to worsen – with a consequent further reduction of capacity utilization in Venezuela from the present 50% to 30%, and of sales' volumes in Argentina of 10%/15% - it would constitute a risk for the consolidated 2015 Ebit target (~930 million euro) quantifiable at 30 million euro.

For the Consumer business:

- revenues' target is revised upwards to ~5 billion euro (previous estimate: ~4.9 billion euro);
- total volumes' growth for the segment seen at >+2% (previous estimate: >+3%), with an increase of Premium volumes confirmed at equal to or above +10%;
- the contribution of the price/mix component equal to or above +4%;
- greater positive exchange rate effect (>+8% compared with +6%/+6.5% previously indicated)

These operating variables translate into a confirmation of Consumer profitability, with an Ebit margin before restructuring expenses estimated at equal to or above 16%.

For the Industrial business revenues are expected at ~1.4 billion euro (previous target: ~1.5 billion euro) which are the result of:

- ower volumes' growth equal to ~+1% (previous indication: +4.5%/+5%) in consideration of the slowdown of the truck and agro market in Latam and Europa;
- price/mix growth above +2.5% (previous indication: +4.5%) following the postponement – considering demand weakness – of price increases originally scheduled for the first quarter of 2015 to later quarters 2015;
- exchange rate impact confirmed at -2%.

The profitability of the Industrial business (Ebit margin before restructuring expenses) is expected at about 11% (previous target: about 12%).

Conference call

The results for the quarter ended 31 March 2015 will be illustrated today, 13 May 2014, at 18.30 during a conference call with the participation of the Chairman and CEO of Pirelli & C. SpA, Marco Tronchetti Provera, and the top management. Journalists will be able to follow the presentation by telephone, without the possibility of asking questions, by dialling **+3902 3600 9866** or **800 089 737**. The presentation will also be available via webcast – in real time – at www.pirelli.com in the Investor section, where the slides can also be consulted.

The results for the quarter ended 31 March 2015 will be available to the public at the company's legal headquarters and at Borsa Italiana SpA, as well as via the authorized storage method www.emarketstorage.com and on the company's website (www.pirelli.com), by 14 May 2015.

The Director indicated for the preparation of the company's accounts' documents of Pirelli & C. S.p.A., Mr. Francesco Tanzi, declares that in accordance with paragraph 2 of article 154 bis of the Testo Unico della Finanza that the accounting information contained in the present press release corresponds to the documentary results, books and accounts.

Group – Pirelli & C. Spa

(in millions of euro)

	03/31/2015	03/31/2014	12/31/2014
Net sales	**1.568,4**	**1.473,2**	**6.018,1**
Gross operating profit before restructuring expenses	291,9	277,3	1.168,0
% of net sales	18,6%	18,8%	19,4%
Operating income before restructuring expenses	213,4	206,7	869,2
% of net sales	13,6%	14,0%	14,4%
Restructuring expenses	(3,3)	(5,7)	(31,3)
Operating income	**210,1**	**201,0**	**837,9**
% of net sales	13,4%	13,6%	13,9%
Net income (loss) from equity investments	(2,5)	(13,8)	(87,0)
Financial income/(expenses)	(52,1)	(43,3)	(262,4)
Net Income before tax	**155,5**	**143,9**	**488,5**
Tax expenses	(54,1)	(53,5)	(173,3)
Tax rate %	34,8%	37,2%	35,5%
Net income from continuing operations	**101,4**	**90,4**	**315,2**
Net income from discontinued operations	**(16,8)**	**1,1**	**17,6**
Total net income	**84,6**	**91,5**	**332,8**
Net income attributable to Pirelli & C. S.p.A.	82,0	89,7	319,3
Total net earnings per share attributable to Pirelli & C. S.p.A. (in euro)	0,168	0,184	0,654
Operating fixed assets	**4.055,3**	**3.862,6**	**3.874,0**
Inventories	1.142,5	965,4	1.055,0
Trade receivables	1.063,7	1.048,0	673,8
Trade payables	(1.072,4)	(882,5)	(1.394,4)
Operating Net working capital related to continuing operations	**1.133,8**	**1.130,9**	**334,4**
% of net sales	18,1%	19,2%	5,6%
Other receivables/other payables	111,5	5,9	33,9
Total Net working capital related to continuing operations	**1.245,3**	**1.136,8**	**368,3**
% of net sales	19,8%	19,3%	6,1%
Net invested capital held for sale	-	**145,6**	**30,8**
Total Net invested capital	**5.300,6**	**5.145,0**	**4.273,1**
Equity	**2.877,1**	**2.500,8**	**2.611,5**
Total Provisions	**690,6**	**678,6**	**682,0**
of which provisions held for sale	-	*10,9*	*5,2*
Total Net financial (liquidity)/debt position	**1.732,9**	**1.965,6**	**1.322,4**
of which Net Financial (liquidity)/debt position held for sale	-	*50,9*	*(5,8)*
Equity attributable to Pirelli & C. S.p.A.	2.811,4	2.441,6	2.548,3
Equity per share attributable to Pirelli & C. S.p.A. (in euro)	5,761	5,003	5,222
Investments in property, plant and equipment and intangible assets	85,6	65,3	378,1
Research and development expenses	53,1	49,8	205,5
% of net sales	3,4%	3,4%	3,4%
Headcount (number at end of period)	37.527	38.529	37.561
Industrial sites (number)	19	22	19

Data by business sector

(in millions of euro)	A Consumer		B Industrial		A+B = C Total Tyre		D Other business		C+D = E TOTAL	
	1Q 2015	1Q 2014	**1Q 2015**	1Q 2014	**1Q 2015**	1Q 2014	**1Q 2015**	1Q 2014	**1Q 2015**	1Q 2014
Net sales	**1.237,4**	1.128,7	**327,9**	340,8	**1.565,3**	1.469,5	**3,1**	3,7	**1.568,4**	1.473,2
Gross operating margin before restructuring expenses	**246,3**	219,4	**47,2**	60,9	**293,5**	280,3	**(1,6)**	(3,0)	**291,9**	277,3
Operating income (loss) before restructuring expenses	**182,0**	162,7	**33,3**	47,6	**215,3**	210,3	**(1,9)**	(3,6)	**213,4**	206,7
Restructuring expenses	**(1,6)**	(3,9)	**(0,4)**	(1,5)	**(2,0)**	(5,4)	**(1,3)**	(0,3)	**(3,3)**	(5,7)
Operating income (loss)	**180,4**	158,8	**32,9**	46,1	**213,3**	204,9	**(3,2)**	(3,9)	**210,1**	201,0

Cashflow statement

(in millions of euro)

	1 Q 2015	**1 Q 2014**
Operating income (loss) before restructuring expenses	213,4	206,7
Amortisation and depreciation	78,5	70,6
Investments in property, plant and equipment and intangible assets	(85,6)	(65,3)
Change in working capital/other	(895,2)	(686,6)
Operating net cash flow	**(688,9)**	**(474,6)**
Ordinary financial income/(expenses)	(52,1)	(43,3)
Ordinary tax expenses	(54,1)	(53,5)
Ordinary net cash flow	**(795,1)**	**(571,4)**
Financial investments/disinvestments	(14,4)	(3,7)
Other dividends paid to third parties	(7,6)	(0,5)
Cash Out for restructuring	(6,4)	(12,9)
Net cash flow from discontinued operations	-	(8,7)
Differences from foreigh currency translation/other	45,8	(46,0)
Net cash flow before dividends paid	**(777,7)**	**(643,2)**
Impact Steelcord units disposal	24,4	-
Net cash flow	**(753,3)**	**(643,2)**

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