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Testo del comunicato

Vedi allegato.

PRESS RELEASE

PIRELLI BOARD APPROVES RESULTS FOR 9 MONTHS ENDED 30 SEPT. 2015:

- REVENUES: 4,711.9 MILLION EURO, AN INCREASE OF 4.0% COMPARED WITH 4,528.7 MILLION ON 30 SEPT. 2014; +3.3% EXCLUDING POSITIVE FOREX EFFECT OF +0.7%
- PREMIUM REVENUES: 2,262.5 MILLION EURO, AN INCREASE OF 17.0% COMPARED WITH 1,933.9 MILLION ON SEPT. 30 2014
- PRICE/MIX: +4.8% DUE TO THE GOOD PREMIUM PERFORMANCE, PRICE INCREASES AND GREATER SALES IN THE REPLACEMENT CHANNEL
- TOTAL VOLUMES: -1.4% (+0.4% CONSUMER AND -7.1% INDUSTRIAL), IMPACTED BY THE WEAKNESS OF THE SOUTH AMERICAN AND RUSSIAN MARKETS
- EBIT: +2.9% TO 648.1 MILLION EURO (629.7 MILLION ON 30 SEPT. 2014)
- EBIT MARGIN 13.8% (13.9% ON 30 SEPT. 2014)
- NET PROFIT FOR CONTINUING OPERATIONS: 291.2 MILLION EURO (297.4 MILLION EURO ON 30 SEPT. 2014)
- NET FINANCIAL POSITION NEGATIVE 1,685.5 MILLION EURO (-2,003.9 MILLION EURO ON 30 SEPT. 2014 AND -979.6 MILLION ON 31 DEC.2014)

2015 TARGETS

- CASH GENERATION BEFORE DIVIDENDS CONFIRMED AT EQUAL TO OR ABOVE 300 MILLION EURO BEFORE DISPOSAL OF STEELCORD
- NET FINANCIAL POSITION CONFIRMED AT AROUND 850 MILLION EURO
- INVESTMENT CONFIRMED AT BELOW 400 MILLION EURO
- PREMIUM GROWTH CONFIRMED AT ABOVE OR EQUAL TO +10%
- PRICE/MIX GROWTH OF APPROXIMATELY ≥5.5% (HIGHER THAN PREVIOUS ESTIMATE OF ~+4%) THANKS TO SALES IN THE REPLACEMENT CHANNEL AND MATURE MARKETS
- VOLUMES ESTIMATED TO FALL BY BETWEEN 0.5% AND 1% AS A RESULT OF RAPIDLY WORSENING ECONOMIC SCENARIO IN BRAZIL AND RUSSIA

- **FOREX EFFECT ~-1.5% (PREVIOUS ESTIMATE ~+1%)**

- **TOTAL REVENUES SEEN GROWING ~+4% TO >6.25 BILLION EURO (PREVIOUS ESTIMATE >6.35 BILLION)**

- **EBIT BEFORE NON-RECURRING AND RESTRUCTURING CHARGES 925 MILLION EURO (PREVIOUS ESTIMATE 960 MILLION EURO), IMPACTED BY THE WORSENING MACROECONOMIC CONDITIONS, PARTIALLY OFFSET BY PRICE/MIX AND EFFICIENCIES**

- **EBIT OF APPROXIMATELY 870 MILION EURO AFTER NON-RECURRING AND RESTRUCTURING CHARGES OF 55 MILLION EURO (PREVIOUS ESTIMATE 930 MILLION EURO AFTER CHARGES OF 30 MILLION) LINKED TO RESTRUCTURING ACTIONS AND COSTS RELATING TO THE SEPARATION OF THE INDUSTRIAL BUSINESS UNIT**

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As a result of the agreement to sell 100% of the steel-cord activities signed on 28 February 2014, this business has been classified as a "discontinued operation" and as a consequence the results for the first 9 months of 2014 and the first nine months of 2015 have been reclassified in the accounts under the heading "results for disposed continuing operations". The economic indicators for the first 9 months of 2015, as do the comparative data to 30 September 2014, refer to continuing activities.

Milan, 11 November 2015 – The Board of Directors of Pirelli & C. SpA today reviewed and approved the **intermediate results for the 9 months ended on 30 September 2015.** The results for the first 9 months of 2015 were characterized in particular by:

- Strengthening at the high end range, with Premium volumes growing 11% and equal to 60% of Consumer revenues (56% in first 9 months 2014);
- Improvement of price/mix component (+4.8% in first 9 months of year, +7.0% in third quarter); which was above the target of ~+4% forecast for 2015, thanks to greater sales in the Replacement channel and the different geographic mix (higher sales in Europe, Nafta and Apac);
- Overall volume reduction in the first 9 months of the year of 1.4% (-3.3% in the third quarter) which reflects the different demand dynamics between mature markets (+4.5% in the first 9 months, +7.3% in the third quarter) and emerging ones (-4% in the first 9 months, -8.4% in the third quarter) which were impacted by the deteriorating macro-economic contexts of Russia and South America, as well as the slowdown in the Chinese market;
- Forex volatility (+0.7% impact on revenues in the first 9 months of the year) was particularly accentuated in the third quarter (-4.2%) because of the devaluation of the Brazilian Real and the Ruble;
- Organic consolidated revenue growth (excluding forex impact) of +3.3% in the first 9 months (+3.7% in the third quarter), underpinned by the good performance of the *Consumer* business (+5.9% in first 9 months, +6.4% in the third quarter) which offset the decline of *Industrial* (-5.1% in first 9 months, -4.9% in the third quarter). If the forex impact is included, consolidated revenues posted growth of +4% in the first 9 months (-0.5% in the third quarter);
- The achievement of efficiencies worth 72.6 million euro (81% of the full-year target of 90 million euro) as part of the 4-year 350 million euro plan (2014-2017) announced in November 2013 (efficiencies of 92 million euro in 2014);
- Profitability improvement, with Ebit of 648.1 million euro, an increase of +2.9% compared with the first 9 months of 2014 and a substantially stable margin of 13.8% compared with 13.9% in the first 9 months of 2014 (13.1% in the third quarter, unchanged compared with the same period a year earlier);
- A slight decline in the net result for continuing operations to 291.2 million euro (-6.2 million euro compared with the same period in 2014) which reflects the greater fiscal charges linked to the

devaluation of the Venezuelan Bolivar and the interest rate increases in the emerging markets where Pirelli operates;

- A net financial position of negative 1,685.5 million euro compared with -2,003.9 million euro on 30 September 2014 and -979.6 million euro on 31 December 2014, because of the usual seasonality of working capital.

Consolidated results

At the consolidated level, **revenues** on 30 September 2015 amounted to 4,711.9 million euro, with an increase of 4.0% compared with 4,528.7 million euro for the first 9 months of 2014 (+3.3% excluding the forex effect of positive +0.7%).

Operating result (Ebit) before non-recurring charges was 657.2 million euro, an increase of 1.5% compared with 647.8 million euro in the same period of 2014. The **Ebit margin before non-recurring charges** was 13.9% compared with 14.3% on 30 September 2014.

The **operating result (Ebit)** was 648.1 million euro, an increase of 2.9% compared with 629.7 million euro in the first 9 months of 2014. The Ebit improvement (+18.4 million euro) stemmed from the tyre business for 15.2 million euro, thanks to the positive price/mix performance and efficiencies, and other activities accounted for 3.2 million euro. The **Ebit margin** was 13.8%, substantially stable compared with 13.9% on 30 September 2014.

The **result from shareholdings** on 30 September 2015 was negative 6.2 million euro (-32.3 million euro in the first 9 months of 2014) and principally refers to the impact of consolidation using the net equity method of the results of the affiliate Prelios.

The **net profit of continuing operations** on 30 September 2015 was 291.2 million euro, compared with 297.4 million euro in the same period of 2014. This figure reflects the improvement in the operating result and result from shareholdings, while including greater net financial charges mainly due to the effect on commercial positions of the devaluation of the Venezuelan Bolivar (from 12 to 13.5 per US dollar) and increases in interest rates in countries outside the euro area where Pirelli operates. The **net result from discontinued operations** in the first 9 months of 2015 was negative 14.6 million euro (+2.6 million euro in the first 9 months of 2014) as a result of an extraordinary accounting effect linked to the disposal, which took place in February of 2015, of the steelcord unit in Turkey and its subsequent recording of previous forex consolidation losses, previously recorded as net equity. The **total net profit** was 276.6 million euro, a decline of 7.8% compared with 300.0 million in the first 9 months of 2014.

Net equity on 30 September 2015 stood at 2,665.3 million euro compared with 2,611.5 million euro on 31 December 2014. **Net equity attributable to Pirelli & C. SpA** on 30 September 2015 was 2,603.7 million euro (5.335 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 1,685.5 million euro (-2,003.9 million euro on 30 September 2014 and -979.6 million euro on 31 December 2014).

Net cash flow from operations improved in the third quarter: 97.1 million euro compared with 28.8 million euro for the same period in 2014, thanks to more efficient management of working capital and lower investment as already anticipated in the preceding quarters. **In the 9 months** the net cash flow from operations was negative 225.7 million euro (-141.2 million euro in the same period of 2014) and reflects the greater absorption of cash in the first quarter as a consequence of the growth of commercial credit in proportion to the performance of sales.

Total cash flow – before dividends and excluding the impact of the operations for the partial sale of *steel-cord* – in the first 9 months was negative 572.0 million euro (-524.8 million euro on 30 September 2014). **Total cash flow** was negative 705.9 million euro (-681.6 million euro on 30 September 2014).

The group **headcount** on 30 September 2015 was 37,616 (37,561 on 31 December 2014).

Tyre activities

Sales on 30 September 2015 totaled 4,705.0 million euro, with an increase of 4.1% compared with 4,520.0 million euro in the first 9 months of 2014 (-0.5% in the third quarter). The sales' performance was underpinned by the Consumer business (+8.5% compared with the first 9 months of 2014, +5.3% in the third quarter) while the Industrial business (-10.5% in the first 9 months, -19.3% in the third quarter) was impacted by the significant slowdown of the South American market and the negative forex impact (-14.4% in the third quarter alone). The organic growth of the tyre business (net of forex) was +3.4% in the first 9 months (+3.7% in the third quarter) with the Consumer business growing 5.9% (+6.4% in the third quarter) and the Industrial business down -5.1% (-4.9% in the third quarter).

Total volumes declined by 1.4% in the first 9 months (-3.3% in the third quarter) but with trends in opposite directions in Consumer and Industrial as well as in mature and emerging markets. The volume performance in the Consumer segment (+0.4% in the first 9 months of the year, -1.4% in the third quarter) was underpinned by the growth of Premium in all markets (+11.0% in the first 9 months, +12.2% in the third quarter) while non-Premium (volumes -5.9% in the first 9 months, -9.5% in the third quarter) reflects the weakness of demand in Latam and Russia, particularly in the Original Equipment channel.

The performance of Industrial volumes (-7.1% in the first 9 months, -9.7% in the third quarter) reflects the weakening of demand in South America (Original Equipment truck market down 46% in the first 9 months of 2015 and 53% in the third quarter alone; while in the Replacement channel the decline was 9% in the first 9 months and 7% in the third quarter) and the slowdown of the Original Equipment channel in China.

The improved price/mix (+4.8% in the first 9 months, +7% in the third quarter) was underpinned by the performance of the Consumer business (price/mix +5.5% in the first 9 months, +7.8% in the third quarter) which benefits from the improved product mix (greater weight of Premium), the greater weight of sales in the Replacement channel and the diverse composition of the business at the regional level (Nafta, Europe and Asia-Pacific). The Industrial price/mix recovered (+2% in the first 9 months, +4.8% in the third quarter) due to the price increases in South America, beginning from the second quarter, nevertheless insufficient to compensate the great exchange rate devaluation, with the Brazilian Real down 36% against the US dollar in the third quarter alone (-28% in the first 9 months of 2015).
The operating result of the Tyre Activities in the first 9 months of 2015 amounted to 655.5 million euro (640.3 million euro in the same period of 2014), with an Ebit margin of 13.9% (14.1% before restructuring costs) substantially stable compared with the same period a year earlier.
Overall the performance of the Consumer business more than compensated for the fall in profitability of the Industrial business which was affected by the difficult macro-economic context in Latin America.
The following factors influenced the improvement of the operating result:

- the positive contribution of the price/mix component (+104.6 million euro) and efficiencies (+72.6 million euro) that more than offset the decline in volumes in emerging markets (impact on Ebit -21.2 million euro) and higher amortizations and other costs (-74 million euro);
- The lower raw material costs (+24.7 million euro) which partially mitigated the negative effect of inflation in production factors (-93.9 million euro). Slightly better forex impacts in the first 9 months of 2015 (+3.3 million euro) were outweighed by the extreme volatility of mainly the Brazilian Real and the Ruble in the third quarter (-10.9 million euro forex impact in the third quarter);
- Greater charges of 10.7 million euro linked to the project of separating the Industrial business;
- Lower non-recurring charges of 9.8 million euro.

At the geographic level Apac (11.2% of tyre revenues) was confirmed as the area of major growth (revenues +28.4%) and profitability, with an Ebit margin above 20%, an improvement compared with the previous year. Nafta (13.9% of tyre revenues) posted profitability in the “low twenties”, an improvement compared with the first 9 months of 2014 (mid-teens). Revenue performance was positive (+23.5%) underpinned by the growth of Premium and mix improvement. MEAI (8.4% of tyre revenues) registered revenue growth of 11.8% and profitability in the “high-teens”, stable compared with 2014. Europe (35.1% of tyre revenues) saw revenue growth of 5% and profitability in the “low-teens”, stable compared with the same period of 2014. The decline in Russia (3.2% of tyre revenues) reflects the difficult macro-economic context: revenues down by 20.7% (+6.8% net of forex) and “mid-single-digit” profitability, down compared with 2014 (“high single digit”).
Latam (28.2% of tyre revenues) posted a reduction in revenues of 9.4% (-1.4% excluding forex impact). The prolongation of the area’s difficult market situation, above all in Original Equipment (car market volumes -17% and truck -46%), weighed on the volume performance regardless of the slight growth recorded in the Car Replacement channel and the good Premium trend. Profitability was “double-digit”; a decrease compared with the same period in 2014 which discounts a decline in volumes, higher costs due to lower plant saturation and extreme forex volatility. To deal with this scenario, Pirelli is implementing new efficiency plans and restructuring and additional price rises.

- In the ***Consumer business (Car/Light Truck and Moto tyres)*** sales amounted to 3,761.6 million euro, with growth of 8.5% compared with 3,466.3 million euro in the first 9 months of 2014. Organic growth, before the positive forex effect of +2.6%, was 5.9%. In total, volumes increased by 0.4%, with the greatest growth in Europe, Apac, Nafta and Meai, while the performance of Latam and Russia were impacted by the decline in the Original Equipment market. The price/mix component was +5.5%, mainly as a consequence of the growing weight of Premium (60.1% of Consumer revenues in the first 9 months of 2015 compared with 56% in the first 9 months of 2014) and the price increases in South America and Russia to counter the forex dynamics. **Premium** is confirmed as the main driver of growth, with an increase of 11% in volumes 17% in revenues (+8.1% positive forex effect), which saw growth of 26.5% in emerging markets and 13.6% in mature ones.

  The **Operating result (Ebit)** on 30 September 2015 rose by 14.2% to 576.1 million euro compared with 504.3 million euro in the same period in 2014, with an Ebit margin of 15.3%, an increase compared with the previous year of 14.5%.

- In the ***Industrial business (tyres for Industrial vehicles)*** sales were 943.4 million euro, a decline of 10.5% (-5.1% at the organic level, excluding the negative 5.4% forex impact) compared with 1,053.7 million euro in the corresponding period of 2014. Volumes fell by 7.1% mainly due the contraction of the Latin American market. The price/mix performance was positive (+2.0%) thanks to the price increases in South America which led to third quarter price/mix growth of +4.8%.

  The **operating result (Ebit)** was 79.4 million euro (136.0 million euro in the first 9 months of 2014), corresponding to 8.4% of sales compared with 12.9% for the same period in 2014 (11.4% excluding from the first 9 months of 2014 the contribution of the *steel-cord* activities fully and not solely those relative to the supply of third parties).

SIGNIFICANT EVENTS AT THE END OF THE QUARTER

On **October 11,** 2015, Pirelli announced that it had reached a commercial agreement to remain in Formula 1 until 2019. The details will be released in accordance with FIA procedures.

On **October 13,** 2015, at the conclusion of the subscription period for the Public Tender Offer which began on September 9, 2015, Marco Polo Industrial Holding announced that it held 413,807,381 ordinary shares of Pirelli, equal to 86.982% of ordinary share capital and 84.798% of entire shareholder capital. Marco Polo Industrial Holding also announced the re-opening of the terms of the offer from October 21 to 27, at the conclusion of which on October 30, it stated that it held – including its own shares – a total of 96.043% of Pirelli ordinary share capital. The offering party has launched the correlated process of acquiring the residual shares not yet in its possession with effect on November 6, 2015, the day on which Pirelli's shares were delisted from the Milan bourse.

Once Marco Polo Industrial Holding had climbed above the 50% threshold of Pirelli's ordinary capital, on **October 13,** 2105, Pirelli announced that with the payment for the shares by the offering party (October 20, 2015) a "*change of control*" event had taken place with regard to two financings of Pirelli International Ltd. and guaranteed by Pirelli & C. S.p.A. and Pirelli Tyre S.p.A. Following this event, the creditors of the "US Private Placement" loans, worth 150 million US dollars, and of one "Schuldschein", for a residual amount of 43 million euro, will have the possibility of requesting a reimbursement in advance for a maximum total nominal amount of approximately 176 million euro.

On **October 14,** 2015 – with effect from October 19, 2015 - board members Anna Maria Artoni, Didier Casimiro, Ivan Glasenberg, Petr Lazarev and Igor Soglaev resigned from the Company's board of directors.

On **October 20,** 2015, the board of directors co-opted Ren Jianxin, Yang Xingqiang, Wang Dan, Tao Haisu and Zhang Junfang in substitution of the board members who resigned on October 14, 2015. The board, following the resignations of Marco Tronchetti Provera from the role of chairman and Alberto Pirelli from that of vice chairman, proceeded to nominate Ren Jianxin as Chairman giving him legal representation of the company as well as all the powers attributed to the chairman of the basis of the current bylaws, the powers and the prerogatives of the board remaining, and of Marco Tronchetti Provera, already Chief Executive Officer, as Executive Vice Chairman, confirming his powers for the operational management of Pirelli, which were already attributed to him. Taking the new composition of the board into account, the board, which instituted the new Committee for Correlated Parties, proceeded to reconfigure the components of the board Committees with the tasks of instruction, consultation and proposal.

Outlook for 2015

The outlook for 2015 reflects the worsening of the macro-economic framework in emerging economies, in particular Russia and Brazil beginning in August. In detail, in Brazil the significant slowdown of its economy led in mid-August to a downgrading of its State treasuries by Standard & Poor's, with a consequent impact on the value of the Real (-36% against the US dollar in the third quarter alone, -28% in the first nine months of 2015). Current expectations are that GDP in 2015 will fall -3% compared with an earlier forecast of -1.5%. In Russia, 2015 GDP is expected to contract by -4.2%, worse than the previous estimate (-3.8%) as a consequence of weak internal demand and international sanctions.

On the basis of this macro-economic context, the trend in the tyre market is expected to worsen. In Latam, the *Truck* market is forecast to fall by over 15% (previous estimate -9%), with Original Equipment at – 47% (previous estimate -36%) and the Replacement channel at -9% (previous estimate -3%). In *Car,* the forecast decline is 3% (previous estimate -1%), weighed down by the weakness of the Original Equipment market (-18% compared with -14%), while the Replacement channel is confirmed growing by

2%. In Russia, on the other hand, it is expected that the truck market will fall by 16% (previous estimate -10%) and the car market by -23% (previous estimate -18%). The Apac market slowed down, with the Truck segment falling by over -4% (previous estimate -2%) and car at +2% (previous indication +4%).

With regard to exchange rates, it is expected that the weakness of the Brazilian Real, the Ruble and the euro against the dollar will continue, with a consequent impact of the total cost of raw materials.

To mitigate the impact on results, Pirelli used its internal levers, further improving the price/mix and acting to achieve greater efficiencies. For 2015, Pirelli therefore forecasts the following results:

- Revenue growth of ~+4% to >~6.25 billion euro (previous estimate >~6.35 billion euro)
- Ebit at ~925 million euro before non-recurring and restructuring charges of about 55 million euro (previous estimate ~960 million euro before charges of 30 million)
- Investment below 400 million euro (unchanged)
- Cash generation before dividends equal to or above 300 million euro before the disposal of steelcord (unchanged)
- Net financial position at the end of 2015 at ~850 million euro (unchanged).

Consolidated sales are seen growing by about 4% to >~6.25 billion euro as a result of:

- price/mix component improvement to ≥+5.5% (previous estimate ~+4%) due to the effect of greater sales in the Replacement channel and in mature markets (Europe and Nafta)
- Premium volumes' growth confirmed at equal to or greater than +10%
- Overall volumes seen falling by between ~-0,5% and ~-1% (previous estimate +0.5%/+1%), which discount the already cited market slowdowns in Latam, Russia and Apac;
- Forex effect seen at ~-1.5% (previous estimate ~+1%) as a result of the weakening of the ruble, the euro and the Real against the dollar.

The operating result (Ebit) before non-recurring and restructuring charges is forecast at ~ 925 million euro (previous indication ~960 million euro) and reflects the impact of the changed macro-economic scenario mitigated by internal levers. In particular by the improvement of the price/mix component (+45 million euro) and greater efficiencies (+10 million euro) offset by the impact stemming from a decline in volumes (-22 million euro) and exchange rates (-38 million). The negative impact of raw materials, entirely due to the forex effect, is estimated at -30 million euro.

The target for the operating result (Ebit) is ~870 million euro and discounts non-recurring charges of 55 million euro (previous indication ~930 after charges of 30 million euro). The higher non-recurring charges (25 million euro) mainly refer to restructuring actions in Latam and extraordinary costs linked to the separation of the Industrial business.

With regard to the Consumer business, the revenues' target is confirmed at >5 billion euro as a result of:

- The growth of total volumes of ~+1% (previous estimate ~+1.5%/+2%), with an increase of Premium volumes confirmed at equal to or above +10%;
- A price/mix component contribution estimated at >+6.5% (previous estimate ~+4.5%);
- Flat forex effect, worsening compared with the previous estimate of ~+2%.

These operating variables translate into a Consumer profitability which is substantially unchanged compared with the previous estimate, with an Ebit margin before non-recurring charges forecast at ~16% (previous estimate >16%).

With regard to the Industrial business, the revenues' target is ~1.25 billion euro (previous target ~1.35 billion euro) which is the result of:

- A volumes' decline of ~-6% (previous indication ~-3%) as a result of the slowdown in emerging markets, in particular Latam and China;

- Growth of improving price/mix to >+2% (previous indication ~+1%) as a result of price increases in response to forex volatility;
- Forex effect of ~-7%, in deterioration compared with the ~-2% previously indicated.

The profitability of the Industrial business (Ebit margin before non-recurring charges) is expected to be ≥8%, compared with the previous indication of ~10%.

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The intermediate results for the 9 months ended September 30, 2015 will be available to the public at the company's legal headquarters, at Borsa Italiana SpA, and via the authorized storage mechanism "NIS–Storage" (www.emarketstorage.com), as well as being published on the company's website (www.pirelli.com), on November 11, 2015.

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The manager responsible for the preparation of the company accounting documents of Pirelli & C. S.p.A., Mr. Francesco Tanzi, declares in accordance with paragraph 2 of article 154 bis of the Consolidated tax law 58/1998 (Testo Unico della Finanza) that the accounting information contained in the present press release is consistent with the recorded results, accounting books and other accounting records..

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Pirelli Press Office – Tel. +39 02 64424270 – pressoffice@pirelli.com
Pirelli Investor Relations Pirelli – Tel. +39 02 64422949 – ir@pirelli.com
www.pirelli.com

Group – Pirelli & C. Spa

(in millions of euro)

	3 Q 2015	3 Q 2014	09/30/2015	09/30/2014	12/31/2014
Net sales	**1.533,4**	**1.541,8**	**4.711,9**	**4.528,7**	**6.018,1**
Gross operating margin before restructuring expenses	283,8	284,9	893,4	867,7	1.168,0
% of net sales	18,5%	18,5%	19,0%	19,2%	19,4%
Operating income before restructuring expenses	205,8	208,9	657,2	647,8	869,2
% of net sales	13,4%	13,5%	#REF!	14,3%	14,4%
Restructuring expenses	(4,3)	(5,4)	(9,1)	(18,1)	(31,3)
Operating income (loss)	**201,5**	**203,5**	**648,1**	**629,7**	**837,9**
% of net sales	13,1%	13,2%	13,8%	13,9%	13,9%
Net income (loss) from equity investments	(2,2)	(5,1)	(6,2)	(32,3)	(87,0)
Financial income/(expenses)	(67,1)	(43,6)	(180,5)	(135,7)	(262,4)
Net Income before tax	**132,2**	**154,8**	**461,4**	**461,7**	**488,5**
Tax expenses	(52,4)	(49,5)	(170,2)	(164,3)	(173,3)
Tax rate %	39,6%	32,0%	36,9%	35,6%	35,5%
Net income (loss) from continuing operations	**79,8**	**105,3**	**291,2**	**297,4**	**315,2**
Net income (loss) from discontinued operations	**0,3**	**0,9**	**(14,6)**	**2,6**	**17,6**
Total net income (loss)	**80,1**	**106,2**	**276,6**	**300,0**	**332,8**
Net income attributable to Pirelli & C. S.p.A.			269,0	290,5	319,3
Total net earnings per share attributable to Pirelli & C. S.p.A. (in euro)			0,551	0,595	0,654
Operating fixed assets			**3.825,5**	**3.910,1**	**3.874,0**
Inventories			1.062,2	1.060,7	1.055,0
Trade receivables			1.035,0	1.075,2	673,8
Trade payables			(1.040,4)	(1.020,4)	(1.394,4)
Operating Net working capital related to continuing operations			**1.056,8**	**1.115,5**	**334,4**
% of net sales (°)			16,8%	18,5%	5,6%
Other receivables/other payables			102,5	93,0	33,9
Total Net working capital related to continuing operations			**1.159,3**	**1.208,5**	**368,3**
% of net sales (°)			18,5%	20,0%	6,1%
Net invested capital held for sale			**-**	**134,5**	**30,8**
Total Net invested capital			**4.984,8**	**5.253,1**	**4.273,1**
Equity			**2.665,3**	**2.493,2**	**2.611,5**
Total Provisions			**634,0**	**756,0**	**682,0**
of which provisions held for sale			-	*17,3*	*5,2*
Total Net financial (liquidity)/debt position			**1.685,5**	**2.003,9**	**979,6**
of which Net Financial (liquidity)/debt position held for sale			-	*37,9*	*(5,8)*
Equity attributable to Pirelli & C. S.p.A.			2.603,7	2.413,9	2.548,3
Equity per share attributable to Pirelli & C. S.p.A. (in euro)			5,335	4,947	5,222
Investments in property, plant and equipment and intangible assets			261,8	244,7	378,1
Research and development expenses			160,6	152,3	205,5
% of net sales			3,4%	3,4%	3,4%
Headcount (number at end of period)			37.616	39.491	37.561
Industrial sites (number)			19	22	19

(°) the net sales figure is annualized in interim periods

Data by business sector

(in millions of euro)

	A		B		A+B = C		D		C+D	
	Consumer		Industrial		Total Tyre		Other business		TOTAL	
	at 09/30/2015	at 09/30/2014	**at 09/30/2015**	at 09/30/2014	**at 09/30/2015**	at 09/30/2014	**at 09/30/2015**	at 09/30/2014	**at 09/30/2015**	at 09/30/2014
Net sales	**3.761,6**	3.466,3	**943,4**	1.053,7	**4.705,0**	4.520,0	**6,9**	8,7	**4.711,9**	4.528,7
Gross operating margin before restructuring expenses	**779,0**	692,5	**119,0**	183,7	**898,0**	876,2	**(4,6)**	(8,5)	**893,4**	867,7
Operating income (loss) before restructuring expenses	**582,4**	516,8	**80,4**	141,3	**662,8**	658,1	**(5,6)**	(10,3)	**657,2**	647,8
Restructuring expenses	**(6,3)**	(12,5)	**(1,0)**	(5,3)	**(7,3)**	(17,8)	**(1,8)**	(0,3)	**(9,1)**	(18,1)
Operating income (loss)	**576,1**	504,3	**79,4**	136,0	**655,5**	640,3	**(7,4)**	(10,6)	**648,1**	629,7

Cash flow statement

(in millions of euro)

	1 Q		2 Q		3 Q		Cumulative at 09/30	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Operating income (loss) before restructuring expenses	213,4	206,7	238,0	232,2	205,8	208,9	657,2	647,8
Amortisation and depreciation	78,5	70,6	79,7	73,3	78,0	76,0	236,2	219,9
Investments in property, plant and equipment and intangible assets	(85,6)	(65,3)	(103,2)	(78,3)	(73,0)	(101,1)	(261,8)	(244,7)
Change in working capital/other	(895,2)	(686,6)	151,6	77,4	(113,7)	(155,0)	(857,3)	(764,2)
Operating net cash flow	**(688,9)**	**(474,6)**	**366,1**	**304,6**	**97,1**	**28,8**	**(225,7)**	**(141,2)**
Ordinary financial income/(expenses)	(52,1)	(43,3)	(61,3)	(48,8)	(67,1)	(43,6)	(180,5)	(135,7)
Ordinary tax expenses	(54,1)	(53,5)	(63,7)	(61,3)	(52,4)	(49,5)	(170,2)	(164,3)
Ordinary net cash flow	**(795,1)**	**(571,4)**	**241,1**	**194,5**	**(22,4)**	**(64,3)**	**(576,4)**	**(441,2)**
Financial investments/disinvestments	(14,4)	(3,7)	(0,4)	2,8	-	(12,1)	(14,8)	(13,0)
Other dividends paid to third parties	(7,6)	(0,5)	(2,5)	(2,9)	-	-	(10,1)	(3,4)
Cash Out for restructuring	(6,4)	(12,9)	(2,6)	(5,9)	(3,7)	(8,0)	(12,7)	(26,8)
Reversal of impairment in Venezuela included in financial expenses	-	-	14,2	-	9,1	-	23,3	-
Exercise of Fenice share options	-	-	-	-	(12,2)	-	(12,2)	-
Net cash flow from discontinued operations	-	(8,7)	-	10,5	-	2,5	-	4,3
Differences from foreign currency translation/other	45,8	(46,0)	(37,4)	(11,9)	22,5	13,2	30,9	(44,7)
Net cash flow before dividends paid	**(777,7)**	**(643,2)**	**212,4**	**187,2**	**(6,7)**	**(68,7)**	**(572,0)**	**(524,8)**
Dividends paid by Parent	-	-	(179,5)	(156,7)	-	-	(179,5)	(156,7)
Impact Steelcord units disposal	24,4	-	35,6	-	(14,4)	-	45,6	-
Net cash flow	**(753,3)**	**(643,2)**	**68,5**	**30,4**	**(21,1)**	**(68,7)**	**(705,9)**	**(681,5)**

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