



PIRELLI, GLOBAL HIGH VALUE

FY 2018 RESULTS – 26 FEBRUARY, 2019

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Pirelli management has identified a number of “Alternative Performance Indicators” (“APIs”). These APIs (i) are derived from historical results of Pirelli & C. S.p.A. and are not intended to be indicative of future performance, (ii) are non-IFRS financial measures and, although derived from the Financial Statements, are unaudited and (iii) are not an alternative to financial measures prepared in accordance with IFRS.

The APIs presented herein are [EBIT, EBIT margin, EBITDA, EBITDA margin, net income and net income margin.

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In order to facilitate the understanding of our financial position and financial performance, this Presentation contains other performance measures, such as Fixed Assets related to continuing operations, Provisions, Operating Working Capital related to continuing operations, Net Working Capital related to continuing operations, Net Financial (liquidity) / debt Position.

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WHERE WE ARE

> In the first 2 years of our 2017-2020 plan we:

- Delivered our High Value strategy, despite the tough 2H 2018 context with car industry facing several headwinds, especially in 4Q
- Lowered our Standard volumes vs. initial plan, with a significant reduction in 2H 2018, that brought our standard volumes below IPO plan trajectory

> Looking ahead we:

- Will continue delivering our High Value strategy to achieve 2020 High Value IPO targets, and
- Will present a new Long-Term Plan in 4Q 2019, that will include a wider Restructuring Plan on Standard, where the disengagement will proceed

AGENDA

2018 DELIVERY AND 2019 OUTLOOK

REVIEW OF 2018 RESULTS

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2018 RESULTS

(14 Nov. 2018)

2018E

2018 Actual

	2018E	2018 Actual	
Revenues	~€5.2 bln	€5,195 Million	✓
<i>High Value weight</i>	~64%	63.7%	
Volumes	~-2.0%	-3.1%	
— <i>High Value volumes</i>	~+13%	+11%	
— <i>Standard volumes</i>	~-12%	-14%	
Price/mix	~+6.5%	+6.8%	
Forex	-7.0% ÷ -6.5%	-5.9%	
IFRS 15 impact¹	-0.6%	-0.7%	
Adjusted EBIT w/o start-up costs²	>€1.0 bln	€1,003 Million	✓
<i>High Value weight</i>	>83%	83.2%	
<i>Start-up costs</i>	~€40 Million	€48 Million	
Adjusted EBIT	~€1.0 bln	€955 Million	✓
Net financial position / adj. EBITDA w/o start-up costs²	~2.35X	2.49X	✗
CapEx	~€460 Million	€463 Million	✓

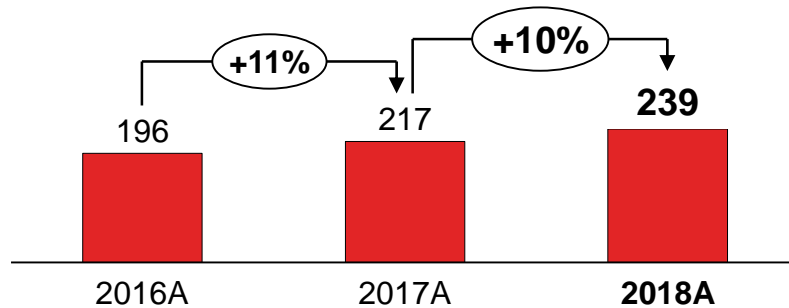
¹. In accordance with IFRS 15 (starting from January 1st 2018), some costs for variable considerations paid or payable to indirect customers & mainly linked to achieving sale targets are recognized as a reduction of revenues; ². Before amortization of PPA, non-recurring items, restructuring costs, other adjustments and start-up costs

2018: IN OUR STRATEGIC ≥18" MARKET, WE DELIVERED IN LINE WITH IPO TARGETS

CAR TYRE MARKET O.E. + REPLACEMENT ≥18"

million tyres

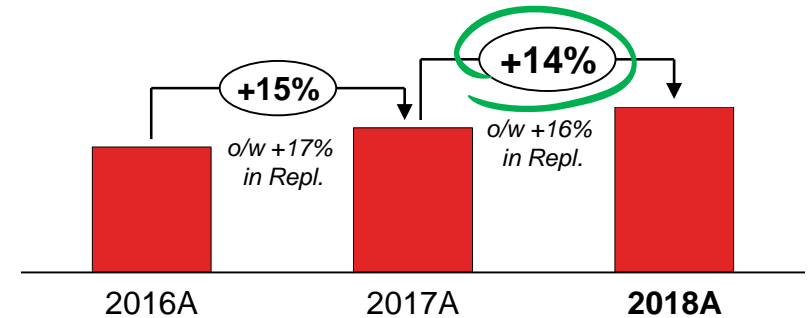
In line with IPO
2016-2020 CAGR of >9% ✓



CAR PIRELLI VOLUMES O.E. + REPLACEMENT ≥18"

million tyres

In line with IPO
2016-2020 CAGR of ≥13% ✓



In particular

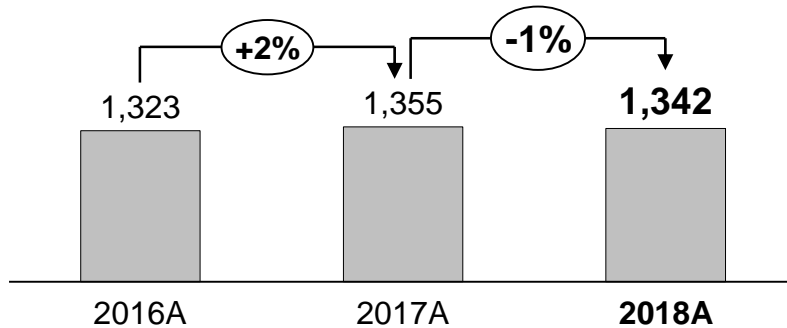
- > **≥18"**: Gaining Market share, strengthening our leadership
- > **Prestige**: O.E. market share >50%, gaining more than 5 percentage point YoY
- > **Specialties**: Seal Inside and PNCS +50% volumes YoY
- > **Pull through effect**: +3 pp YoY reaching 83%

2018: IN STANDARD WE ACCELERATED REDUCTION, ESPECIALLY IN 2H...

CAR TYRE MARKET O.E. + REPLACEMENT ≤17"

million tyres

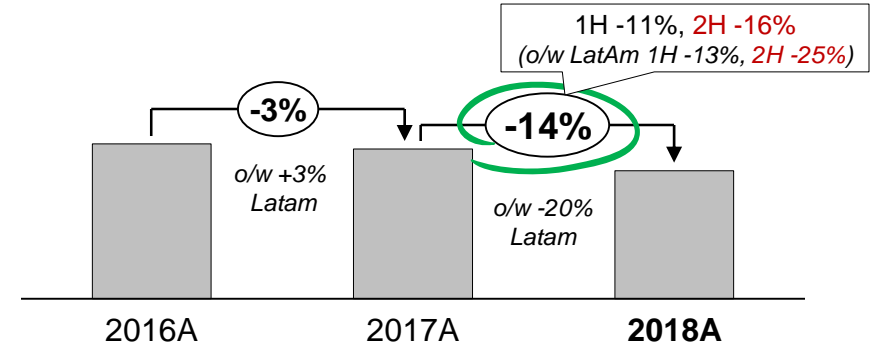
In line with IPO 2016-2020 CAGR of +2% in 2017, slower in 2018



CAR PIRELLI VOLUMES O.E. + REPLACEMENT ≤17"

million tyres

Below IPO volumes trajectory

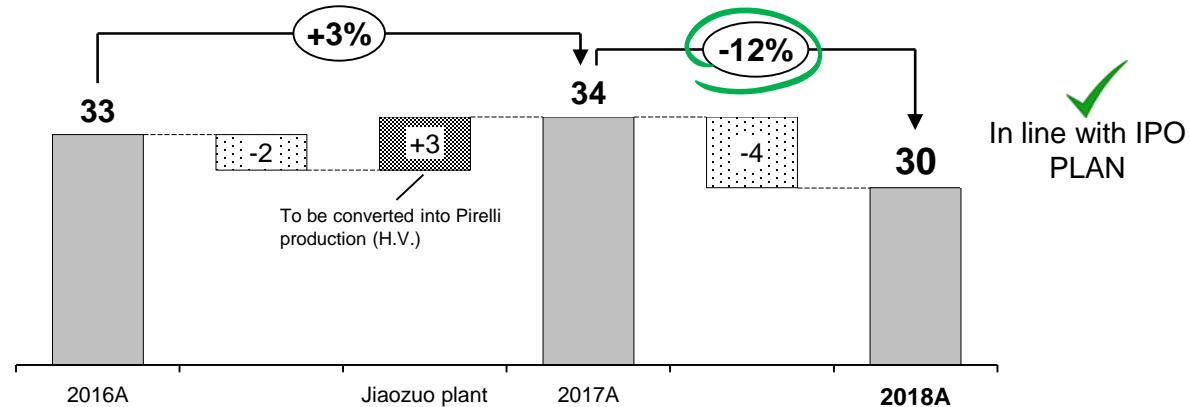


In particular

- > **≤15" and second brands:** intentionally trimming lower rims and less profitable sizes
- > **LatAm:** severe market contraction, intensifying in 2H (1H Repl. -3%, O.E. +9%; 2H Repl. -13%, O.E. -5%)

...AND WE TOOK COUNTER-MEASURES WITH A “CRASH” COST-CUTTING PROGRAM

STANDARD CAPACITY EVOLUTION 2016-2018
million pcs



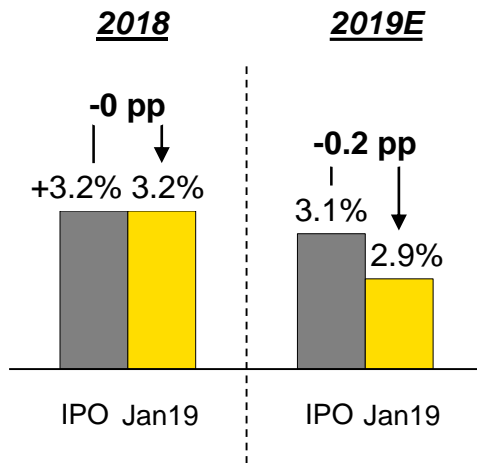
2018 “Crash” Cost cutting program

€50 million cost reduction to counter LatAm market fall and accelerated global Standard reduction, of which:

- €30M recurring (non-core marketing and advertising budgets, purchases)
- €20M one-offs (plant overheads and staff cost)

2019 OUTLOOK: A MILDER GROWTH THAN EXPECTED AT IPO

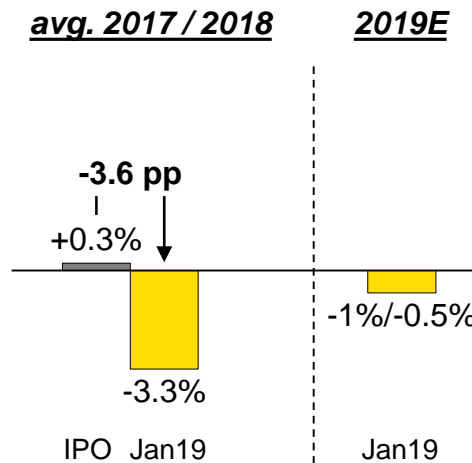
Macro scenario: World GDP ΔYoY



2019E VS. IPO assumptions

- Lower growth in Europe and Brazil
- Better trend for North America
- Uncertainty on China

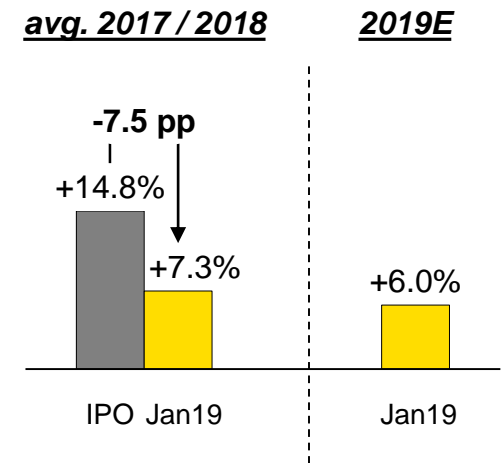
ForEx: impact on Pirelli sales



2019E VS. IPO assumptions

- Higher Dollar devaluation
- Higher volatility for Emerging Currencies

Raw Material: Δ cost for Pirelli



2019E VS. IPO assumptions

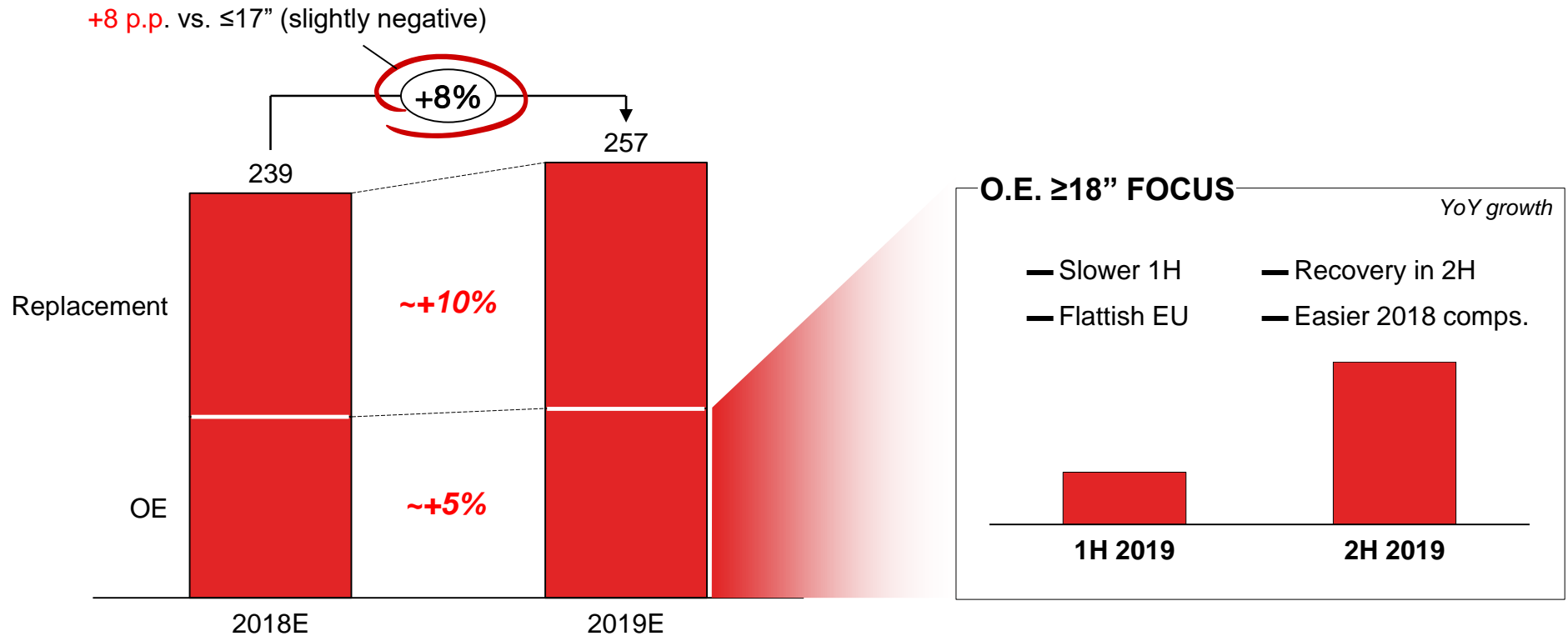
- A more contained inflationary scenario for Natural Rubber and Butadiene
- Higher volatility on Brent

Source: IHS Markit Forecasts (Jan-2019 vs. Jul-2017) for Macroeconomic and FX data; company elaborations from third party providers for Raw Materials (Jan-2019 vs. Jul-2017)

2019 ≥18" MARKET: OUTPACING STANDARD ONCE AGAIN, WITH O.E. STILL WEAK IN 1H AND FULLY RECOVERING IN 2H

O.E. + REPL. ≥18" CAR TYRE MARKET 2019

million tyres

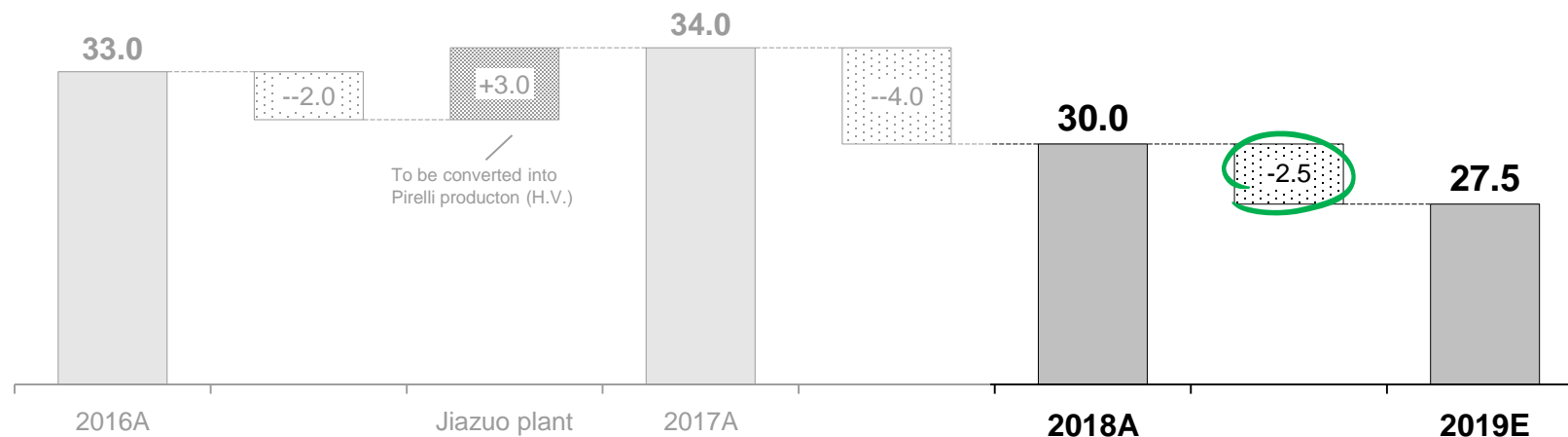


Source: Company elaborations based on third party data relative to car market and on data provided by local associations of tyre producers

IN 2019 FURTHER STANDARD RATIONALIZATION

STANDARD CAPACITY EVOLUTION 2016-2019

million pcs



Cost cutting actions planned in 2019

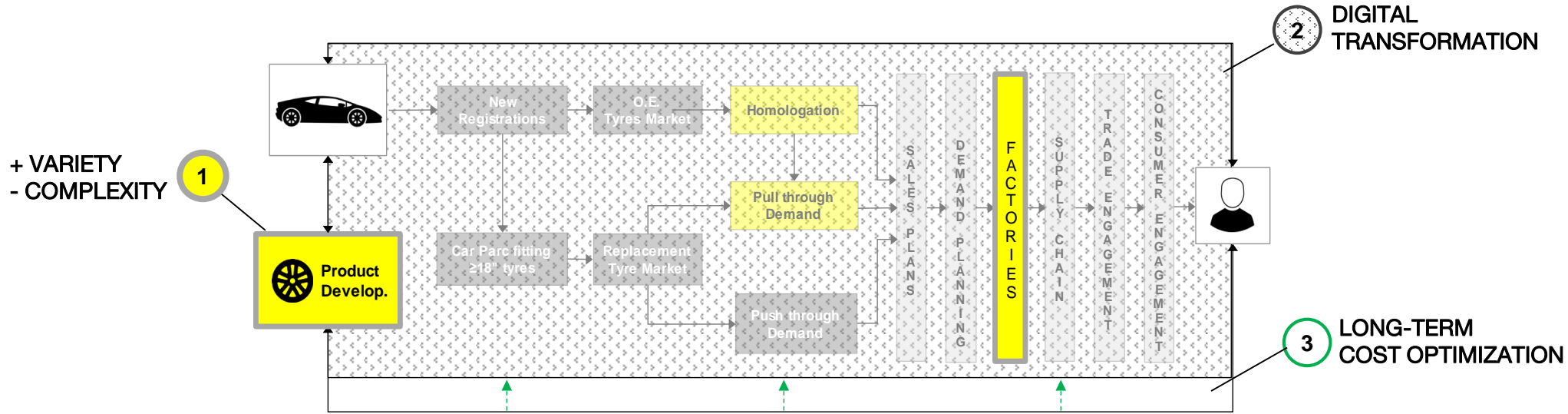
€50 million program:

- Outsourcing rationalization
- Commercial and G&A costs
- Traveling and other expenses

Restructuring plan

- Standard business streamlining to be fully implemented within the next 18-24 months
- P&L impact mainly included in FY 2018
- Mid-term cash out dilution
- P&L and cash impacts covered by Patent Box benefits

IN 2019 WE WILL BENEFIT FROM INCREASING IMPACT OF OUR 3 KEY PROGRAMS



KEY PROGRAMS

2019 DELIVERABLES

2019 IMPACT

1 + VARIETY - COMPLEXITY

- Component Commonality
- Product Modularity
- Debottlenecking

2 DIGITAL TRANSFORMATION

- Digital Enablers in place: Talent, Data Infrastructure, Cloud
- New Sales and Marketing Model to be deployed in Europe (High Value)
- New Manufacturing Scheduling & Execution System

3 LONG-TERM COST OPTIMIZATION

- Organization simplification (e.g. from 6 Regions to 5)
- Marketing optimization
- Supplier base optimization

**~€70 Million
Efficiencies
(1.3% on Sales)**

FY 2019 OUTLOOK

€ million

	2018A	2019E <i>(guidance Feb. 2019)</i>
Net Sales	€5,195 million	+4% ÷ +6% YoY
<i>High Value weight</i>	~64%	~67%
Volumes	-3.1%	0% ÷ +1.0%
— High Value volumes	+11%	~+11%
— Standard volumes	-14%	-10% ÷ -9%
Price/mix	+6.8%	+5.0% ÷ +5.5%
Forex	-5.9%	-1.0% ÷ -0.5%
IFRS 15 impact	-0.7%	-
Adjusted EBIT margin	18.4%	~19%
<i>High Value weight on adj. EBIT w/o start-up</i>	~83%	~85%
<i>Start-up costs</i>	€48 million	~€40 million
Net Financial Position / adj. EBITDA w/o start-up costs	2.49X	~2.1X¹
CapEx	€463 million	~€430 million

1. ~2.3x including first estimate of IFRS 16 impact

2019: DIFFERENT EXTERNAL SCENARIO AND NEW STANDARD TARGET FOOTPRINT TRIGGERING A NEW LONG TERM PLAN (in 4Q 2019)

NEW EXTERNAL SCENARIO

- GDP + tariffs
- Regulation
- Auto Industry

STANDARD

- Accelerated Reduction
- Broader Restructuring Plan

HIGH VALUE

- Strong Demand
- More Competitive business model



All our actions will keep us in line with IPO deleverage target of Net Debt / EBITDA **2020 < 2x**
New plan (2019-2022) will be presented in 4Q 2019

AGENDA_

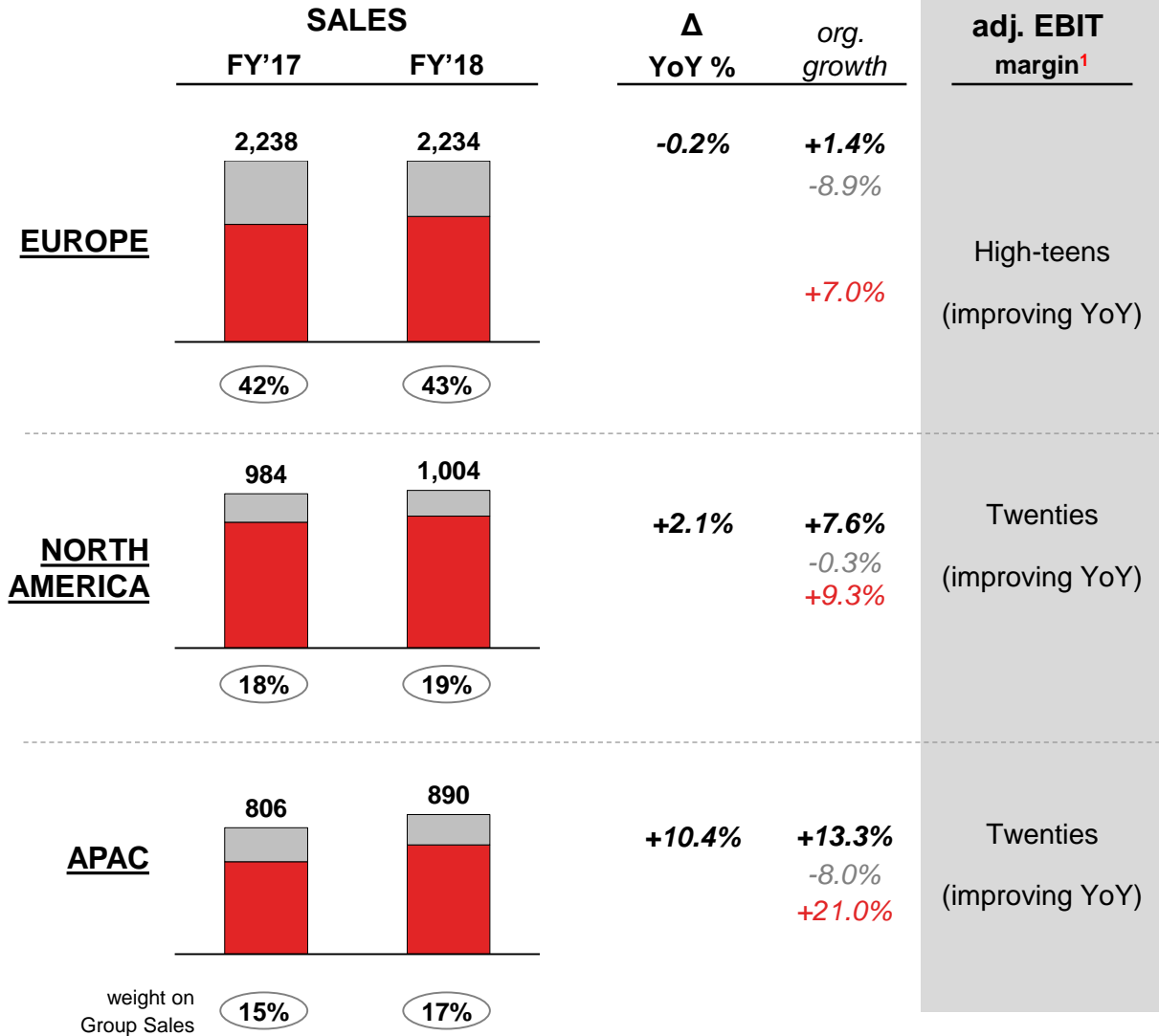
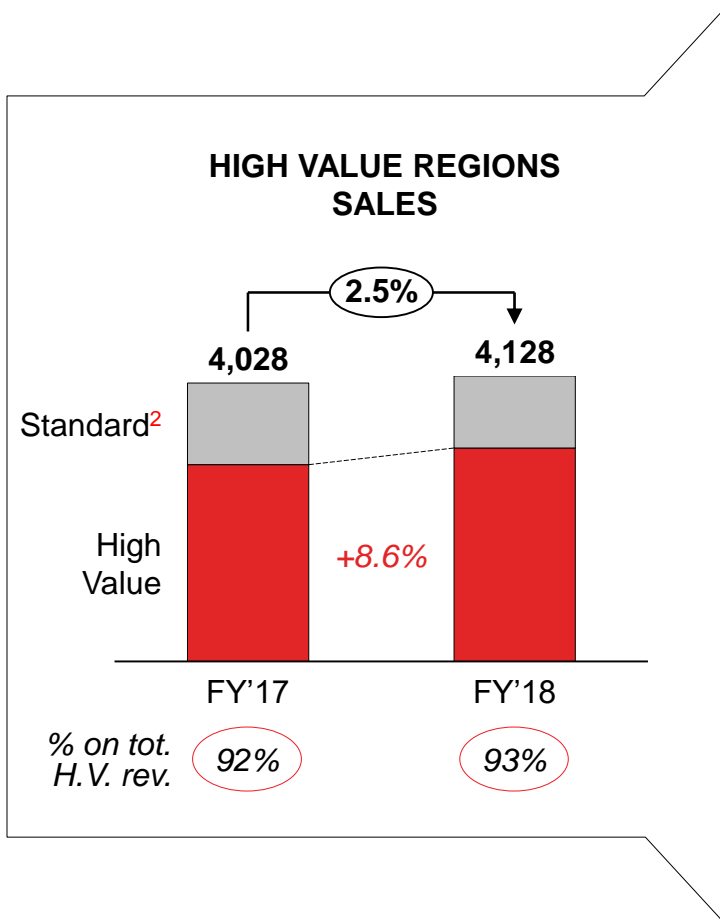
2018 DELIVERY AND 2019 OUTLOOK

REVIEW OF 2018 RESULTS

APPENDIX

FY 2018 PERFORMANCE BY HIGH VALUE REGIONS

€ million



1. Before amortization of PPA, non-recurring items, restructuring costs and other adjustments; 2. Standard & other (including Controlled Distribution & Other)

2019 STRATEGY BY HIGH VALUE REGIONS



EMEA

- Maximize pull-through exploiting Business Model predictability
- Continue the reduction of Standard
- Execute cost reduction programs to support profitability improvement
- Increase O.E. share in Prestige / Premium maintaining profitability



N. AMERICA

- Extend national distribution footprint (Tier 1)
- Improve penetration in All Season segment
- Growing O.E. presence

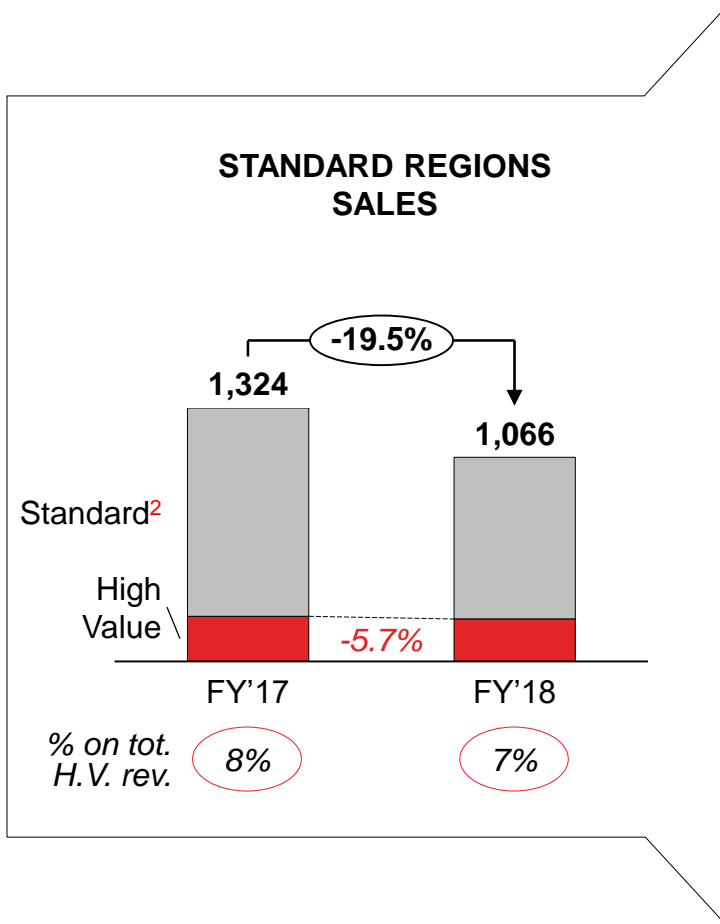


APAC

- New JV factory start-up
- Continuous H.V. top line growth maximizing pull-through rate
- O.E. contracts with Premium Asian car makers

FY 2018 PERFORMANCE BY STANDARD REGIONS

€ million



	SALES		Δ YoY %	org. growth	adj. EBIT margin ¹
	FY'17	FY'18			
LATAM	916	692	-24.4%	-3.1%	High-single digit (decreasing YoY)
	17%	13%		-5.0%	
				+17.7%	
MEAI	249	207	-16.8%	-6.6%	Low-teens (decreasing YoY)
	5%	4%		-11.3%	
				-2.4%	
RUSSIA & C.I.S.	160	167	+4.6%	+15.5%	High-teens (improving YoY)
	3%	3%		+14.5%	
				+20.8%	

1. Before amortization of PPA, non-recurring items, restructuring costs and other adjustments; 2. Standard & other (including Controlled Distribution & Other)

2019 STRATEGY BY STANDARD REGIONS



LATIN AMERICA

- Further focus on mix improvement
- Normalization of stock levels
- Strengthen the position of “industrial hub” to support H.V. growth in the U.S. market
- Cost rationalization program

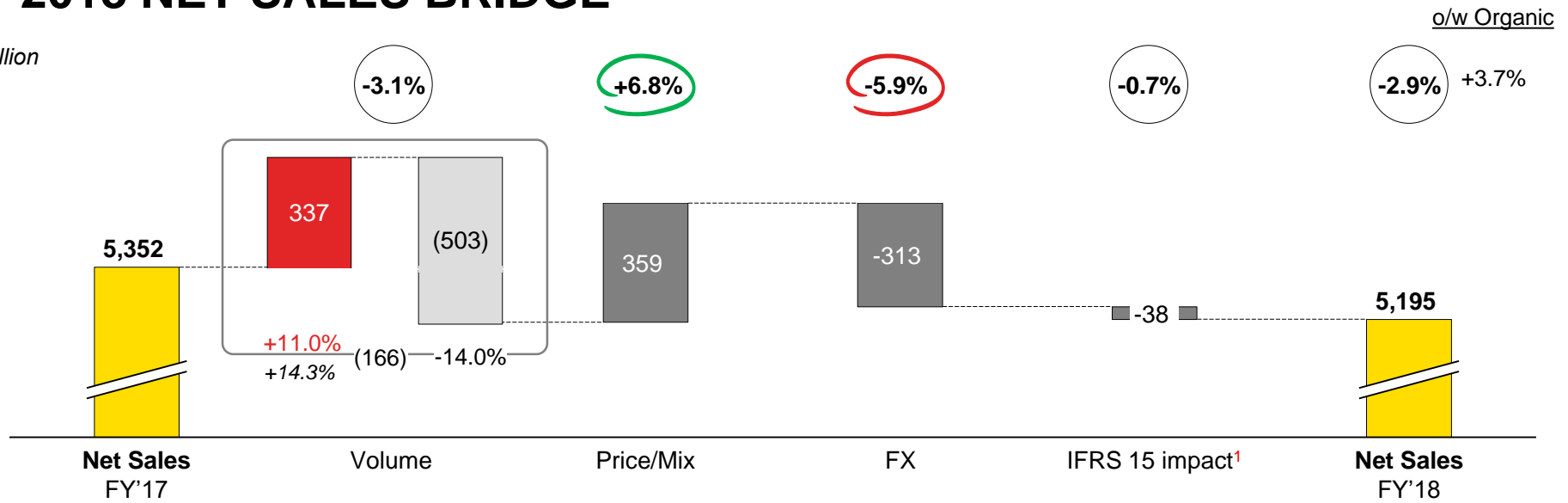


RUSSIA & NORDICS

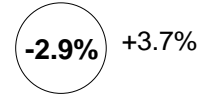
- Increase share in H.V. segments supported by New Ice Zero 2 product launch
- Reinforce O.E. presence in H.V. projects
- Source of High Value export to Europe

FY 2018 NET SALES BRIDGE

€ million



o/w Organic



High Value
Car ≥18"

Standard

o/w Organic

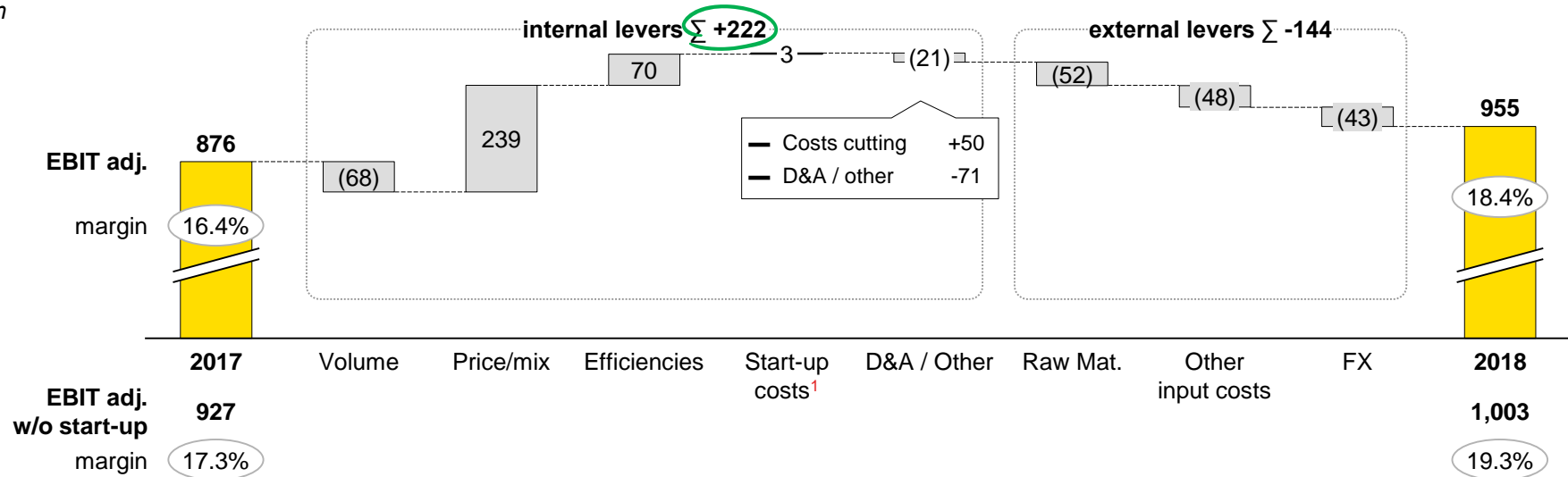


¹ In accordance with IFRS 15 (from January 1st, 2018), some costs for variable considerations paid or payable to indirect customers and mainly linked to achieving sales targets are recognized as a reduction of revenues

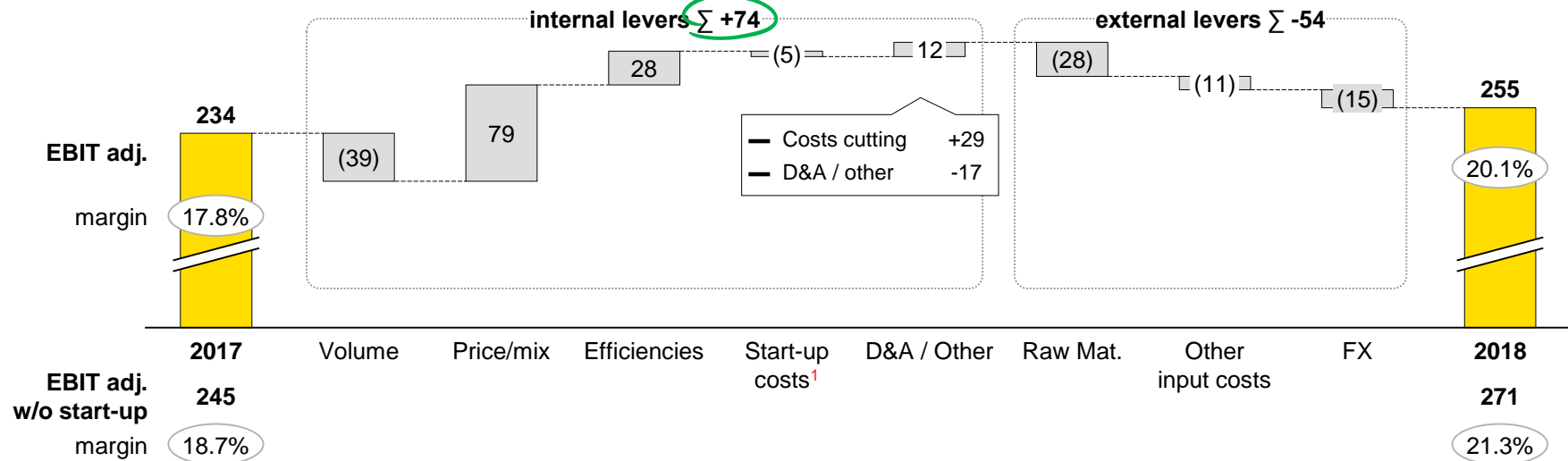
FY / 4Q 2018 OPERATING PERFORMANCE

€ million

FY



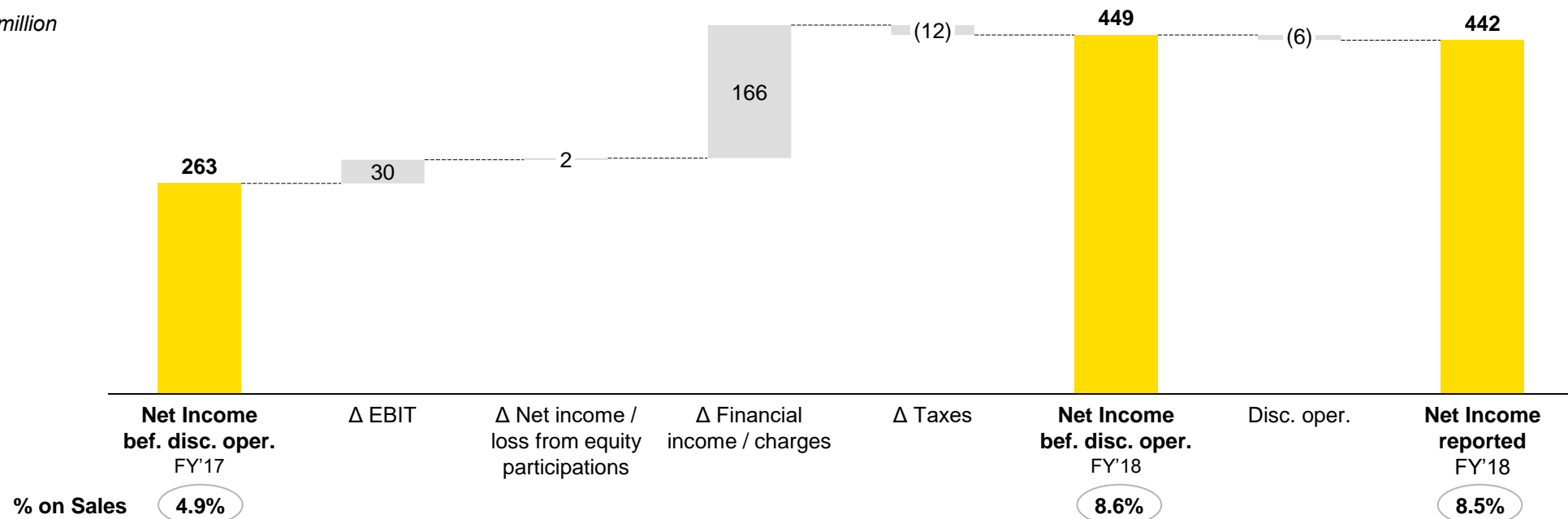
4Q



1. Aeolus Car, Velo, Cyber & digital transformation

FY 2018 NET INCOME BRIDGE

€ million



	FY'17	FY'18
Net Income related to cont. oper.	263	449
PPA amortization	+110	+115
Non recurring / restr. costs / other adj.	+93	+137
Non recurring fin. expenses	+61 ¹	+2 ²
Taxes impact	-141	-127
Net income related to cont. oper. adjusted	387	576

o/w 81 related to the deferred tax assets (pointing to Taxes impact)

o/w 54 related to the Patent Box 2015-2017 (pointing to Taxes impact)

1. wash down fee BCC financing; 2. mainly related to gains from re-pricing of unsecured facilities

DIVIDEND PROPOSAL

Dividend Proposal to be filed with Pirelli & C. AGM (May 15th, 2019)

2018 dividend

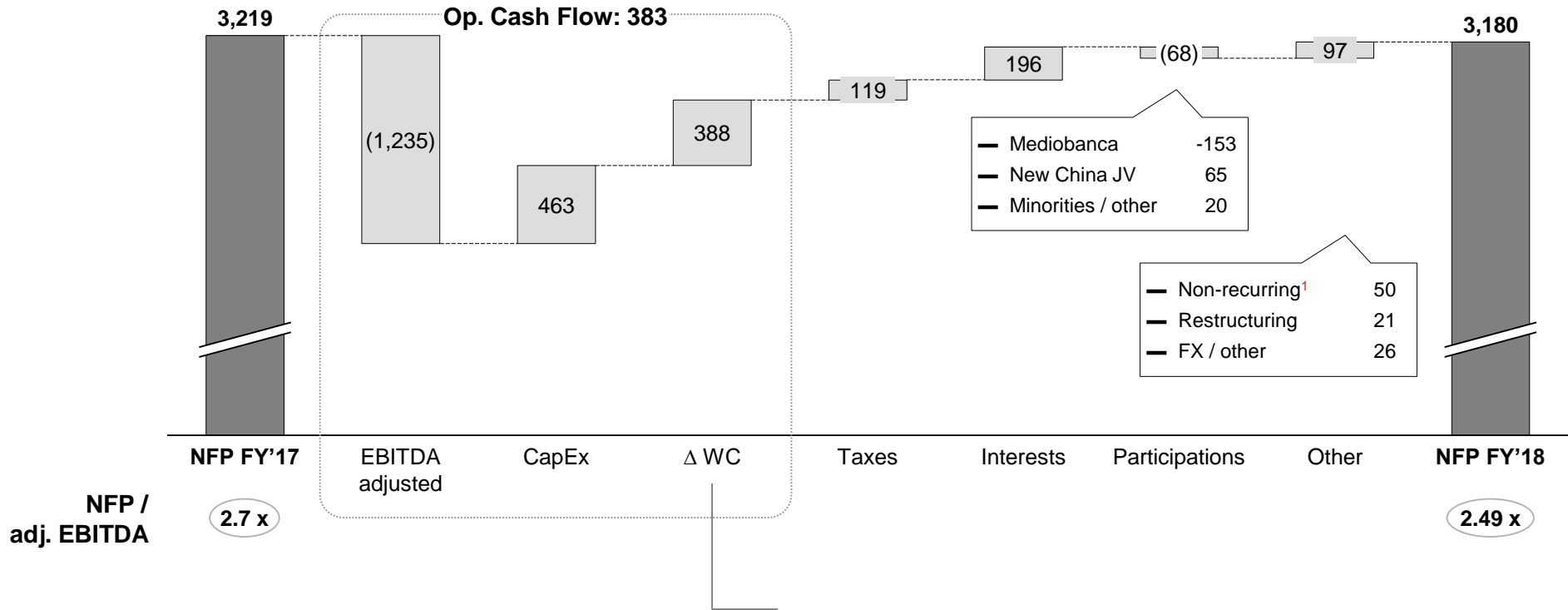
Net Income Reported (€ million)	442
payout (% of net income reported)	40.0%
DPS (€)	0.177
# of shares (million)	1,000.0
dividends (€ million)	177.0

Dividend Payment Schedule

- Coupon Detachment: May 20th, 2019
- Dividend Payment: May 22nd, 2019, record date May 21st

FY 2018 CASH FLOW AND NET FINANCIAL POSITION

€ million



4Q 2018 Working Capital dynamics:

- **Inventories:** growth in Standard, especially in South America
- **Trade receivables:** temporary extension of payment terms to major Brazilian dealers
- **Factoring:** back to the historical level, after the 2017 hike

Action plan to limit working capital absorption in 2019

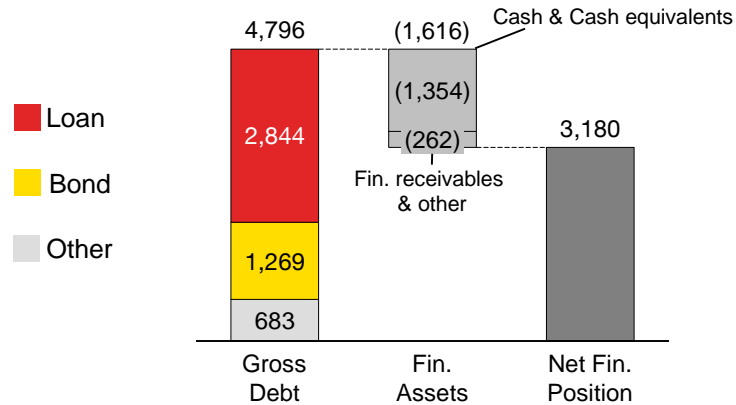
- **Inventories:** standard production schedule review to bring stock/sales below 20% (from 21.7% in 2018)
- **Trade receivables:** recovery of payment terms in Brazil
- **Factoring:** now at stabilized level

¹. Including €31 million of costs for advisors and fees relative to the 2017 IPO process

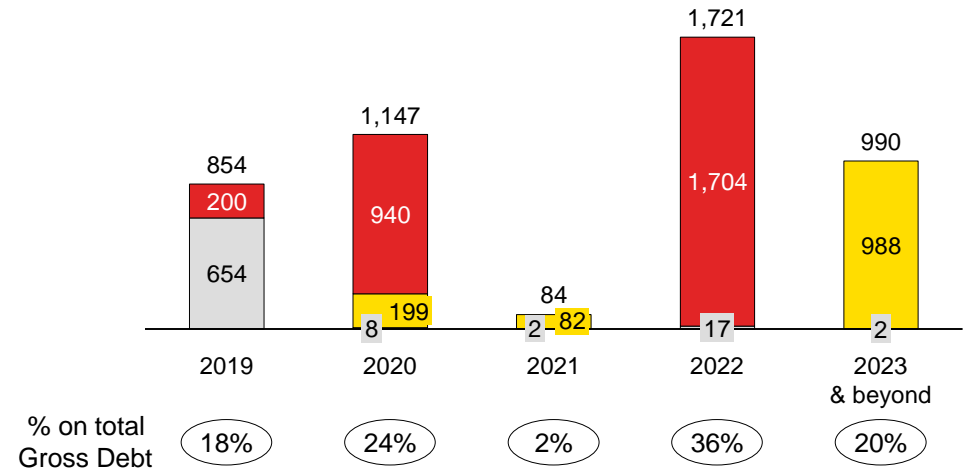
CURRENT CAPITAL STRUCTURE (DECEMBER 2018)_

€ million

NET FINANCIAL POSITION



GROSS DEBT MATURITY

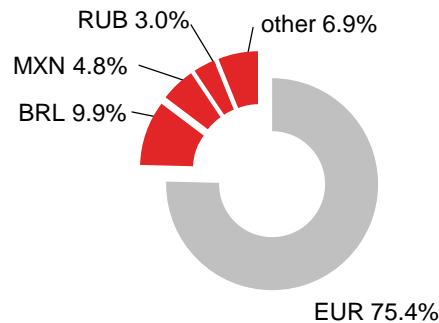


LIQUIDITY PROFILE

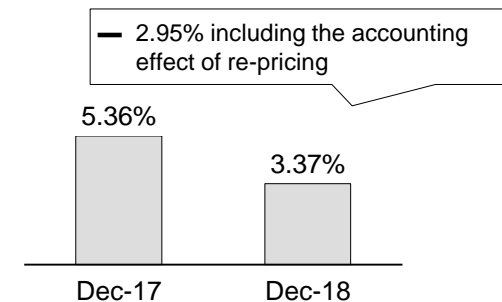
Liquidity position	1,354
Total committed lines not drawn	700
Liquidity margin¹	2,054

¹. Covers ~2.5 years of forthcoming maturities










BREAK-DOWN BY CURRENCY



COST OF DEBT (LAST 12 MONTHS)



2018 DELIVERY IN SUSTAINABILITY

KPIs	2017	2018	Targets 2020
 Green Performance Tyres revenues¹	43.5%	49.8%	>50% >65% on H.V.
 Accident frequency index reduction	-83% (vs. 2009)	-81% (vs. 2009)	-87% (vs. 2009)
 Plant CO₂ specific emissions reduction	-10%* (vs. 2009)	-13% (vs. 2009)	-17% (vs. 2009)
 Specific energy consumption reduction	-16%* (vs. 2009)	-16% (vs. 2009)	-19% (vs. 2009)
 Electricity from renewable sources²	44%*	41%	→
 Waste recovered	93%*	96%	ACHIEVED ≥95%
 Specific water withdrawal reduction	-63%* (vs. 2009)	-66% (vs. 2009)	ACHIEVED -66% (vs. 2009)
 Avg. rolling resistance of car tyres reduction	-15% (vs. 2009)	-16.4% (vs. 2009)	-20% (vs. 2009)
 Average training days per capita	8	>8	≥7 days

*. data restated after changes in the Group scope

AMONG 2018 ACHIEVEMENTS...

- > **Sustainable Natural Rubber:** issuance of **Pirelli Policy «Implementation Manual»** and of the **«Roadmap of activities 2019-2021»**
- > **ISO 37001** Certification of **Pirelli & C. S.p.A** and **Pirelli Tyre S.p.A** Anti-Corruption Management System
- > Compliance of **Pirelli Purchasing Model** with **ISO 20400³**
- > Tax Control Framework adoption and admission to Cooperative Compliance regime



Dow Jones Sustainability Indexes

Global Sustainability Leader of Auto Components sector⁴
Gold Class Company in the 2018 Sustainability Yearbook⁵



FTSE4Good

Pirelli percentile: 99/100 in Automobile & Parts



2018 Sector top ESG rating



EXCELLENCE Europe



1. Figure obtained by weighing the value of sales of Green Performance tyres on the total value of sales of Group tyres; Green Performance products identify tyres that Pirelli produces throughout the world and that fall only under rolling resistance and wet grip classes A, B, C according to the labelling parameters set by European legislation. 2017 value updated after new data acquisition; 2. Internal evaluation on International Energy Agency (IEA) data considering Pirelli geographical breakdown; 3. Confirmed by third party (Feb. 2018); 4. with a score of 81 points vs. sector median of 32 (Sept. 2018); 5. Edited by RobecoSAM, who is responsible for evaluations of inclusion in the Dow Jones Sustainability Index; Note: Preliminary unaudited results

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4Q / FY 2018 RESULTS HIGHLIGHTS

€ million

	4Q'17	4Q'18	Δ YoY	FY'17	FY'18	Δ YoY
Revenues	1,314	1,269	-3.4%	5,352	5,195	-2.9%
<i>Organic Growth</i> ¹			+1.0%			+3.7%
High Value Revenues	734	780	+6.2%	3,079	3,310	+7.5%
<i>Organic Growth</i> ¹			+6.4%			+10.3%
% on total Revenues	55.9%	61.5%	+5.6 pp	57.5%	63.7%	+6.2 pp
EBITDA adjusted w/o start-up costs ²	309	343	+10.8%	1,175	1,279	+8.9%
Margin	23.6%	27.0%	+3.4 pp	22.0%	24.6%	+2.6 pp
EBITDA adjusted ³	301	327	+8.5%	1,138	1,235	+8.5%
Margin	22.9%	25.8%	+2.9 pp	21.3%	23.8%	+2.5 pp
EBIT adjusted w/o start-up costs ²	245	271	+10.3%	927	1,003	+8.2%
Margin	18.7%	21.3%	+2.6 pp	17.3%	19.3%	+2.0 pp
EBIT adjusted ³	234	255	+8.8%	876	955	+9.0%
Margin	17.8%	20.1%	+2.3 pp	16.4%	18.4%	+2.0 pp
EBIT	133	112	-15.7%	674	703	+4.4%
Margin	10.1%	8.8%	-1.3 pp	12.6%	13.5%	+0.9 pp
Results from Equity Investments	12	3		(7)	(5)	
Financial Income / (Charges)	(73)	(58)		(363)	(196)	
EBT	72	57		304	502	
Tax Rate	9.9%	n.m.		13.4%	10.6%	
Net Income (Consumer)	64	71		263	449	
Net Income adjusted (Consumer)	129	173		387	576	

¹ Excl. FX / perimeter; ² Aeolus Car, Velo, Cyber & digital transformation; ³ before amortization of PPA, non-recurring items & restructuring costs;

2018 RESULTS HIGHLIGHTS BY QUARTER

€ million

	1Q'17	1Q'18	Δ YoY	2Q'17	2Q'18	Δ YoY	3Q'17	3Q'18	Δ YoY	4Q'17	4Q'18	Δ YoY
Revenues	1,339	1,310	-2.2%	1,346	1,320	-1.9%	1,353	1,295	-4.3%	1,314	1,269	-3.4%
<i>Organic Growth¹</i>			+5.7%			+5.3%			+2.5%			+1.0%
High Value Revenues	775	834	+7.5%	787	850	+8.0%	783	846	+8.1%	734	780	+6.2%
<i>Organic Growth¹</i>			+13.4%			+11.8%			+9.2%			+6.4%
% on total Revenues	57.9%	63.6%	+5.7 pp	58.5%	64.4%	+5.9 pp	57.8%	65.3%	+7.5 pp	55.9%	61.5%	+5.6 pp
EBITDA adj. w/o start-up costs ²	282	298	+5.8%	285	310	+8.8%	299	328	+9.7%	309	343	+10.8%
margin	21.0%	22.7%	+1.7 pp	21.2%	23.5%	+2.3 pp	22.1%	25.3%	+3.2 pp	23.6%	27.0%	+3.4 pp
EBITDA adjusted³	270	288	+6.5%	276	300	+8.6%	290	320	+10.3%	301	327	+8.5%
margin	20.2%	22.0%	+1.8 pp	20.5%	22.7%	+2.2 pp	21.4%	24.7%	+3.3 pp	22.9%	25.8%	+2.9 pp
EBIT adj. w/o start-up costs ²	220	229	+4.5%	224	244	+9.1%	238	259	+8.6%	245	271	+10.3%
margin	16.4%	17.5%	+1.1 pp	16.6%	18.5%	+1.9 pp	17.6%	20.0%	+2.4 pp	18.7%	21.3%	+2.6 pp
EBIT adjusted³	205	218	+6.5%	211	232	+9.7%	226	250	+10.6%	234	255	+8.8%
Margin	15.3%	16.7%	+1.4 pp	15.7%	17.6%	+1.9 pp	16.7%	19.3%	+2.6 pp	17.8%	20.1%	+2.3 pp
PPA amortization	(26)	(29)		(26)	(29)		(29)	(29)		(29)	(29)	
non recurring & restructuring costs / other	(10)	(6)		(36)	(9)		26	(8)		(73)	(115)	
EBIT	169	184	+9.1%	150	194	+29.6%	223	214	-4.1%	133	112	-15.7%
margin	12.6%	14.0%	+1.4 pp	11.1%	14.7%	+3.6 pp	16.5%	16.5%	0.0 pp	10.1%	8.8%	-1.3 pp

¹ Excl. FX / perimeter; ² Aeolus Car, Velo, Cyber & digital transformation; ³ before amortization of PPA, non-recurring items & restructuring costs;

FY PIRELLI BALANCE SHEET_

€ million

	31-Dec-2017	31-Dec-2018
Fixed assets related to continuing operations	9,121	9,018
Inventories	941	1,129
Trade receivables	653	628
Trade payables	(1,674)	(1,605)
Operating net working capital related to continuing operations	(80)	152
Other receivables / payables	(42)	34
Net Working Capital related to continuing operations	(123)	186
Net invested capital held for sale	61	11
Total net invested capital	9,059	9,215
Equity	4,177	4,551
Provisions	1,664	1,484
Net Financial Position	3,219	3,180
Total financing and shareholders' equity	9,059	9,215

FY PIRELLI GROUP CASH FLOW__

€ million

	FY '17	FY '18
EBIT adjusted ¹	876	955
Depreciation & Amortization (excl. PPA amortization)	261	280
Capital expenditures	(489)	(463)
Change in working capital / other	124	(388)
Operating Cash Flow	772	383
Financial income / (expenses)	(363)	(196)
Taxes paid	(136)	(119)
Financial investments	(3)	-
Financial asset disposals	26	155
Dividends paid to minorities	(13)	(8)
Cash-out for non recurring items and restructuring costs	(64)	(72)
Minorities	(6)	-
New Chinese plant JV	-	(65)
Minorities / other	(15)	(20)
Exchange rates difference / other	1	(9)
Net cash flow before extraordinary operations	200	48
Industrial reorganization	305	(10)
Capital increase	1,189	-
Net cash flow	1,694	38

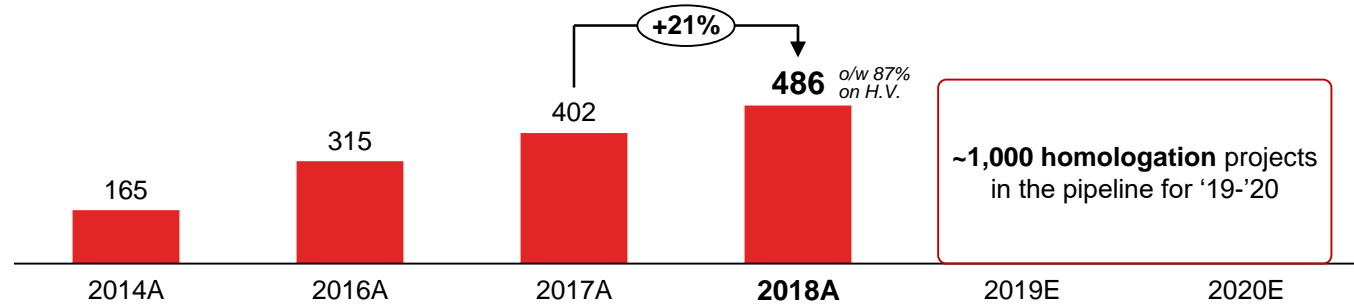
¹ before amortization of PPA, non recurring items and restructuring costs

2018 HIGH VALUE ACHIEVEMENTS

A

HIGH VALUE HOMOLOGATIONS

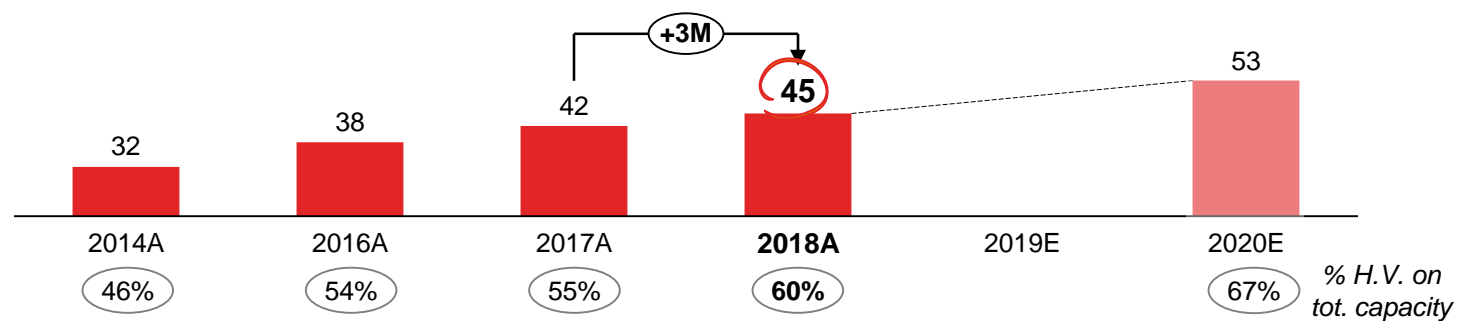
new homologations



B

HIGH VALUE CAPACITY

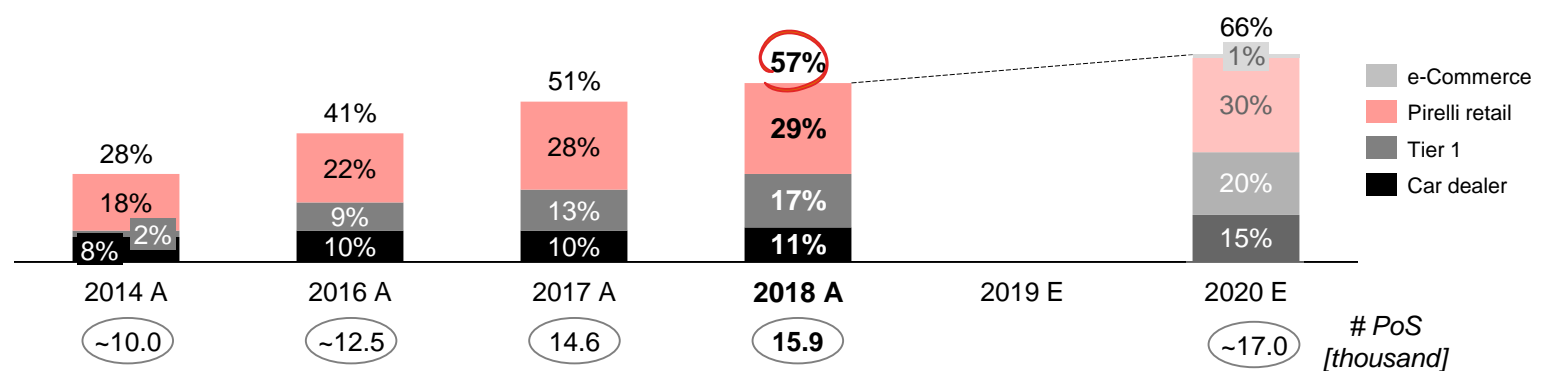
High Value capacity [million pcs]



C

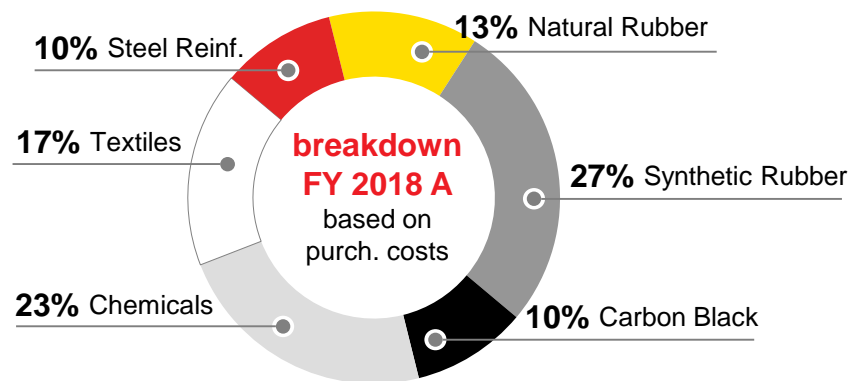
HIGH VALUE GO-TO-MARKET

% on tot. Repl. volumes



2019E RAW MATERIAL GUIDANCE

€ million



raw mat.
35% on Sales

AVERAGE QUOTATION OF COMMODITIES

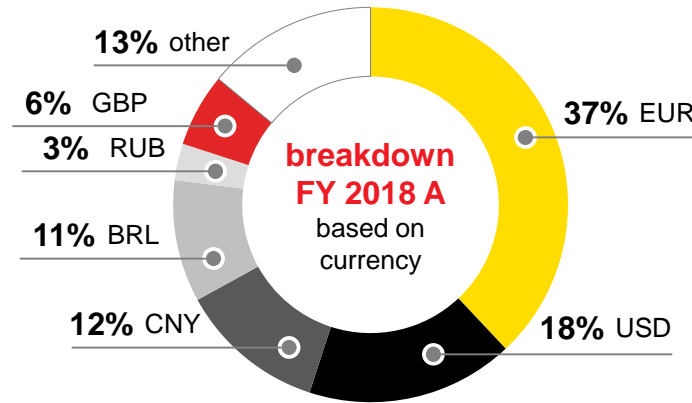
	2018 A	2019 E Feb. guidance	Δ YoY
Natural Rubber TSR20 (\$ / tonne)	1,365	~1,400	+3%
Brent Oil (\$ / barrel)	71.5	~68	-5%
Butadiene EU (€ / tonne)	1,011	~1,200	+19%











AVERAGE COST OF GOODS SOLD OF COMMODITIES

	2018 A	2019 E Feb. guidance	2019E EBIT impact
	~1,400	~1,350	~+10
	~67	~70	~-10
	~950	~1,200	~-30
Raw Mat. subtotal			~-30
FX impact			~-70
TOT. IMPACT			~-100

2019E FOREX GUIDANCE

€ million



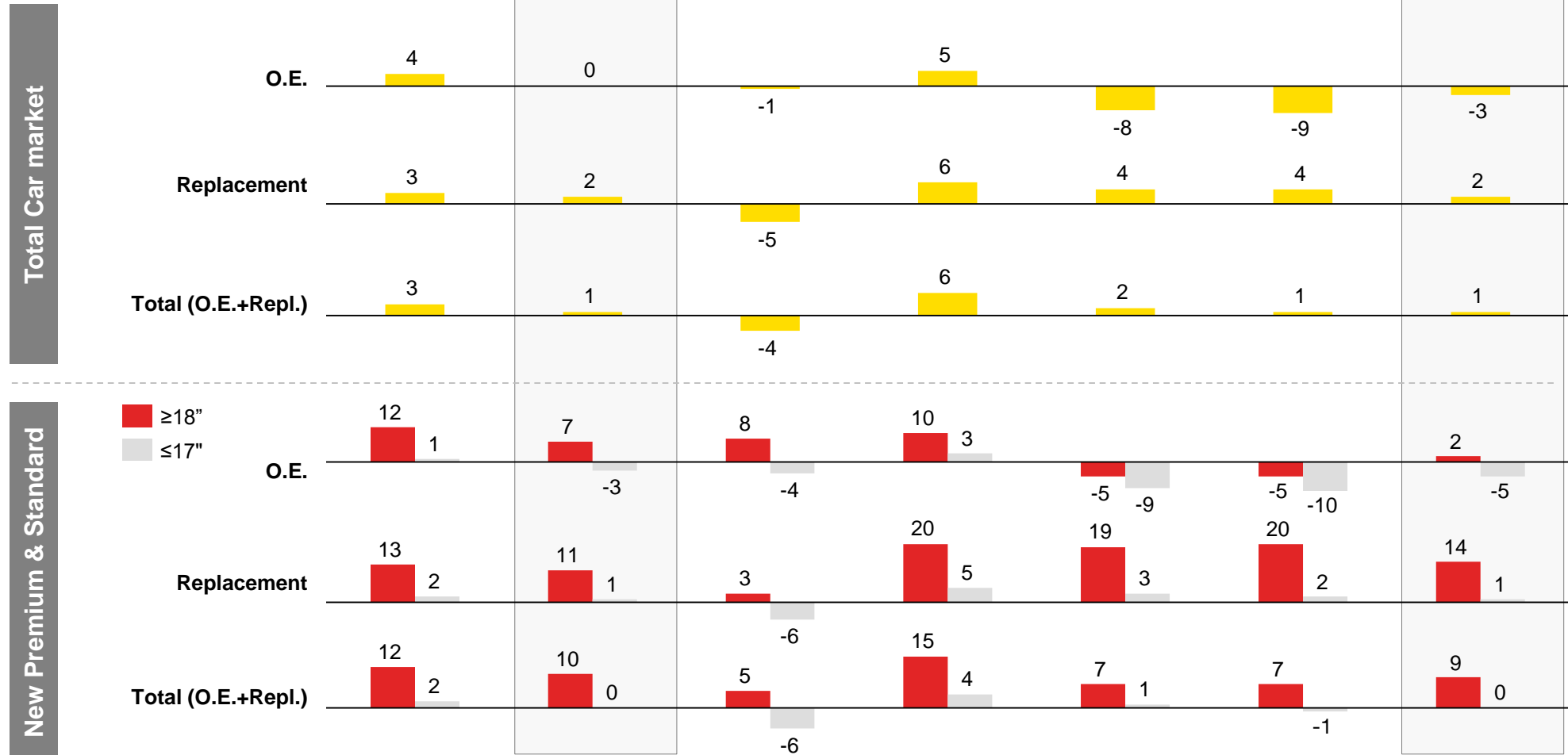
MAIN AVERAGE EXCHANGE RATES		2018 A	2019 E Feb. guidance	Δ YoY	Δ YoY vs. EUR
EUR / USD	 / 	1.145	1.15	+0.4%	+0.4%
USD / CNY	 / 	6.863	6.9	+0.5%	+1.0%
USD / BRL	 / 	3.875	4.0	+3.2%	+3.6%
EUR / RUB	 / 	79.658	78.2	-1.8%	-1.8%
EUR / GBP	 / 	0.895	0.89	-0.6%	-0.6%

TOT. IMPACT ON SALES

-1.0% ÷ -0.5%

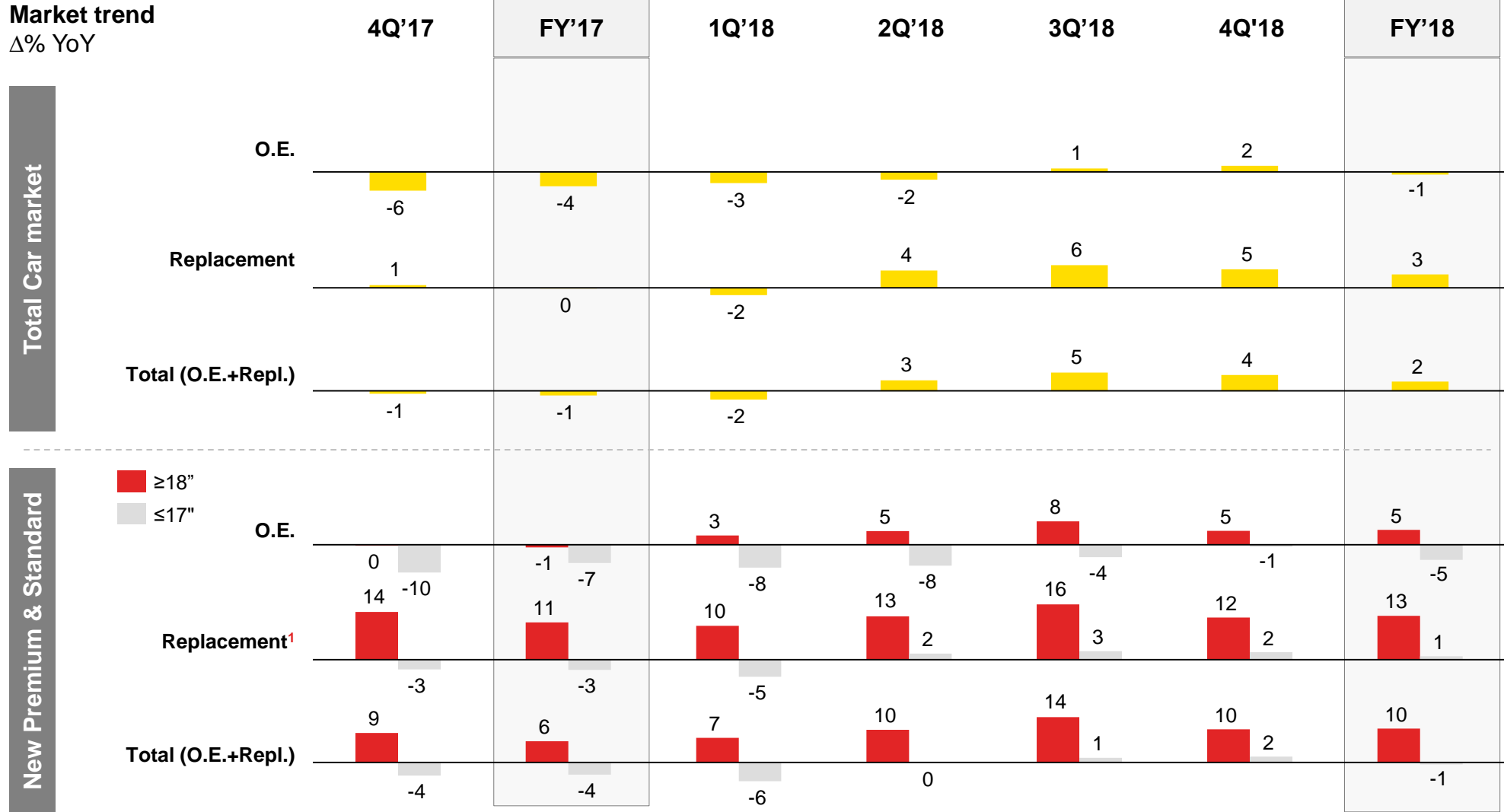
KEY CAR MARKET TRENDS: EUROPE

Market trend
Δ% YoY



Source: Pirelli tyre market estimates based on main data provider for the Region; historical market data may be subject to restatement

KEY CAR MARKET TRENDS: NAFTA



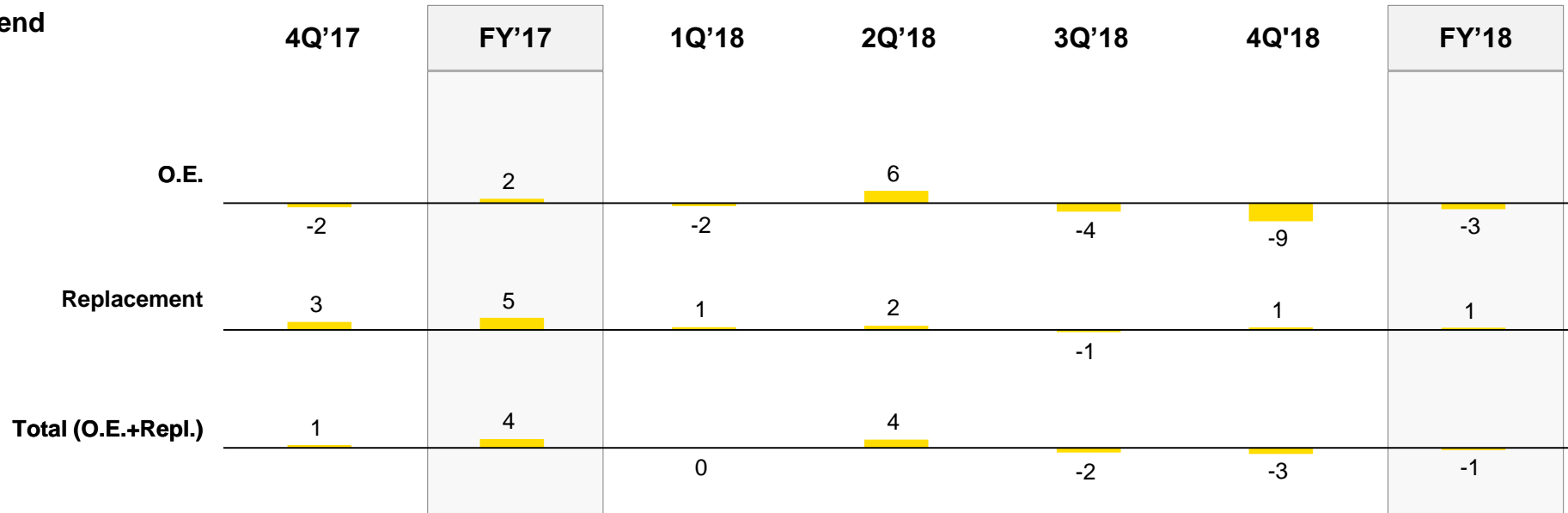
Source: Pirelli tyre market estimates based on main data provider for the Region; historical market data may be subject to restatement; 1. NAFTA Replacement includes imports



KEY CAR MARKET TRENDS: APAC

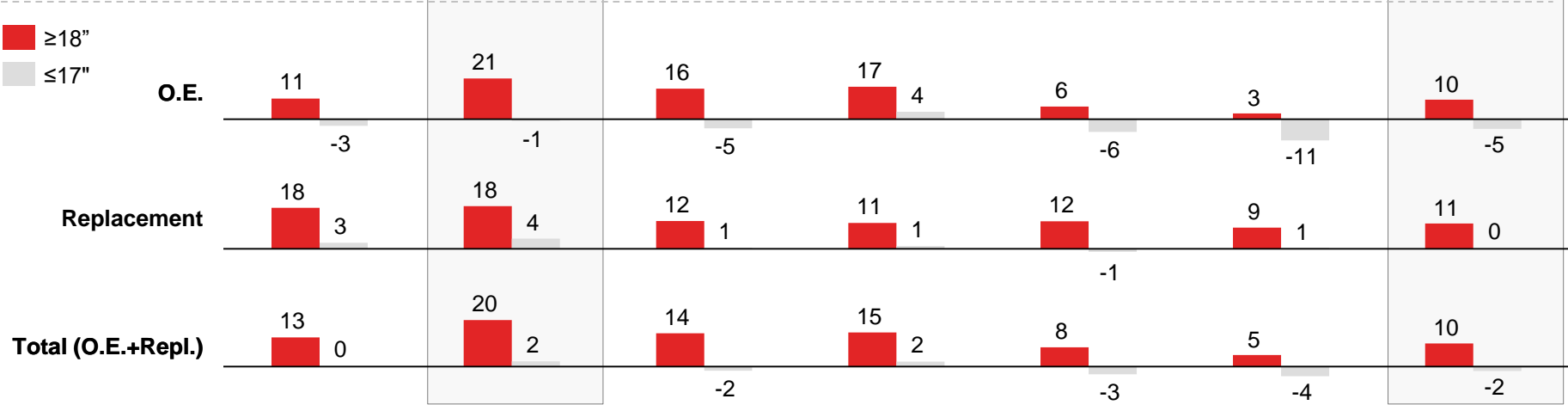
Market trend
Δ% YoY

Total Car market



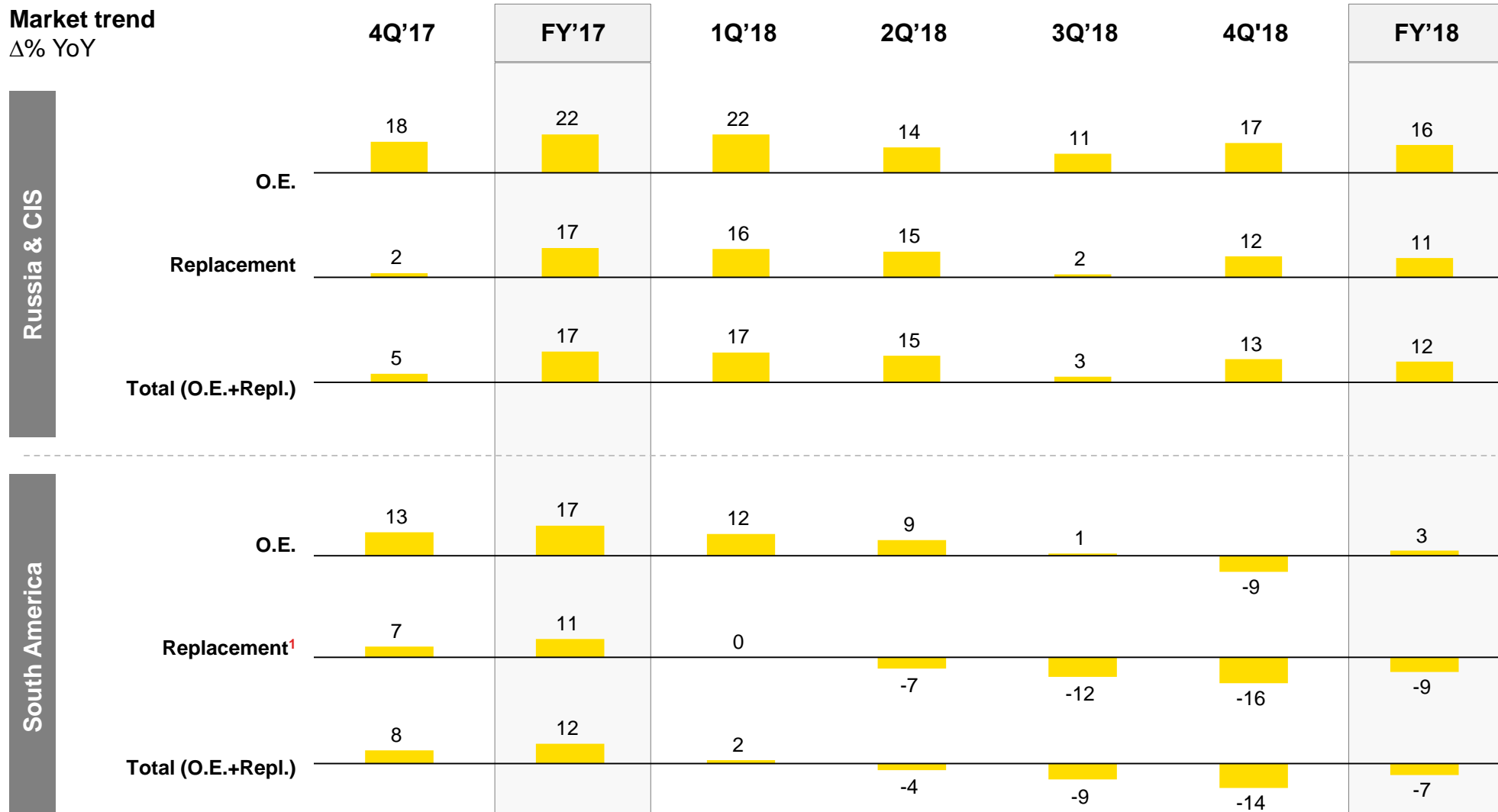
New Premium & Standard

■ ≥18"
■ ≤17"



Source: Pirelli tyre market estimates based on main data provider for the Region; historical market data may be subject to restatement

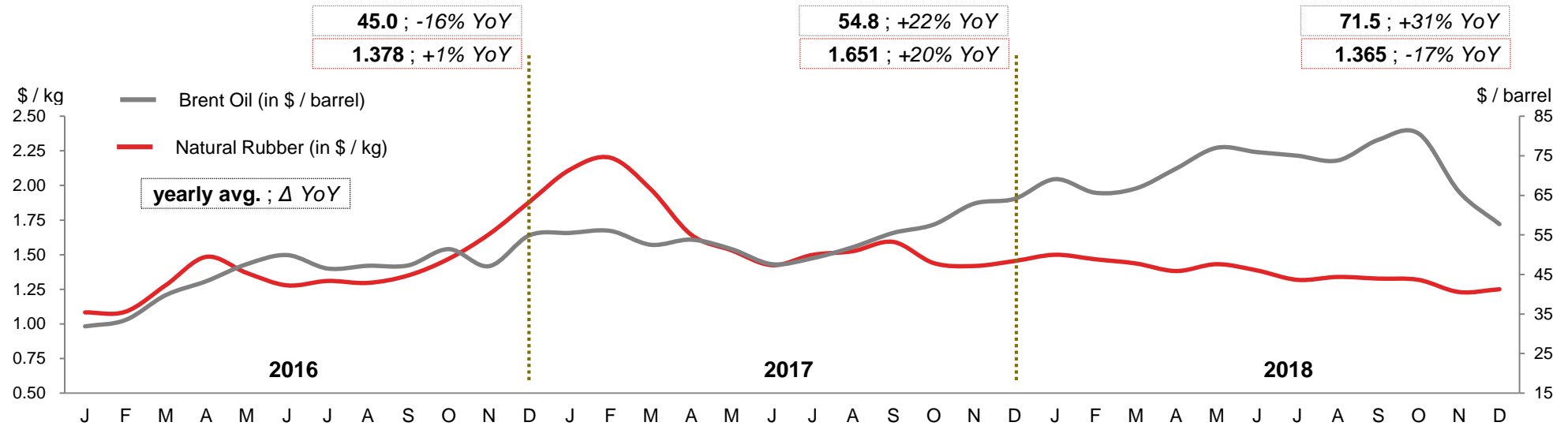
KEY MARKET TRENDS: RUSSIA & CIS AND SOUTH AMERICA



Source: Pirelli tyre market estimates based on main data provider for the Region; historical market data may be subject to restatement; 1. South America Replacement restated to include Brazilian imports

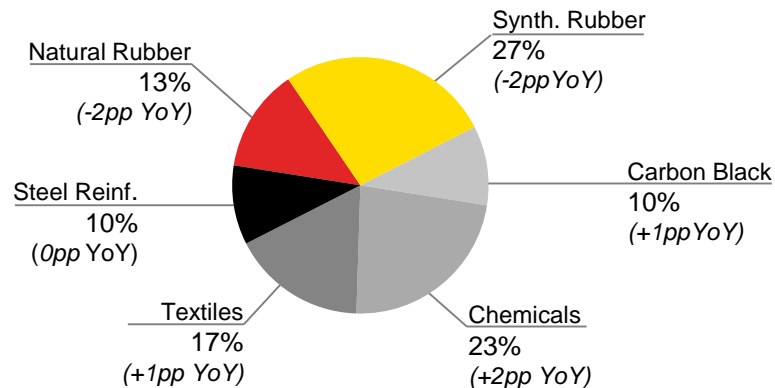
RAW MATERIAL COSTS TREND AND MIX

MAIN RAW MATERIALS PRICE TREND



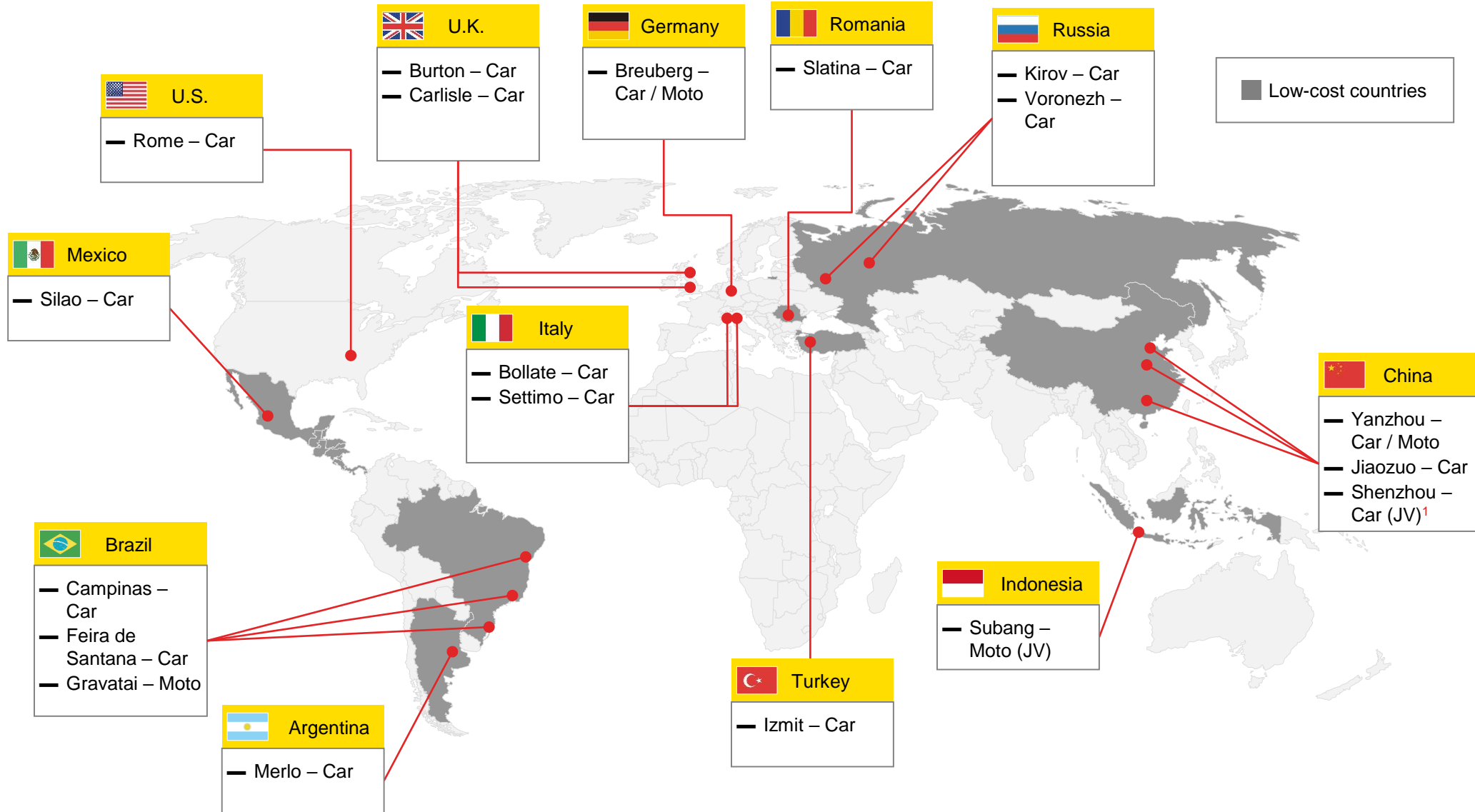
FY 2018 MIX (BASED ON PURCHASING COST)

35%
Raw mat. costs
on sales



Source: Natural Rubber -> Sicom; Brent -> www.oilenergy.com

PIRELLI MANUFACTURING FOOTPRINT AS OF DECEMBER 31ST 2018



1. 49% Joint Venture with the Hixih Group