



PRESS RELEASE

MEETING OF THE BOARD OF DIRECTORS OF PIRELLI & C. SPA:

- REVIEW OF PRELIMINARY DATA FOR 9 MONTHS ENDED 30 SEPTEMBER 2010
- STRONG GROWTH IN OPERATING RESULTS, UPWARD REVISION OF 2010 GROUP AND PIRELLI TYRE TARGETS

PIRELLI GROUP: 2010 REVENUE TARGET ABOVE 4.9 BILLION EUROS WITH AN EBIT MARGIN OVER 7.5% (ABOUT 7% FORECAST IN JULY) AND EBIT OF APPROXIMATELY 380 MILLION EUROS

NET FINANCIAL DEBT TARGET IMPROVED TO BELOW 700 MILLION EUROS, COMPARED WITH APPROXIMATELY 700 MILLION EUROS FORECAST IN JULY

PIRELLI TYRE: 2010 REVENUE TARGET ABOVE 4.7 BILLION EURO WITH AN EBIT MARGIN ABOVE 8.5% WITH EBIT APPROXIMATELY 420 MILLION EUROS (AT LEAST 360 MILLION EUROS SEEN IN JULY)

- VITTORIO MALACALZA NOMINATED VICE PRESIDENT

Milan, 14 October 2010 – The Board of Directors of Pirelli & C. SpA met today and reviewed preliminary data for the nine months ended 30 September 2010, in view of the definition the new 2011-2013 three-year plan. The positive performance of Pirelli Tyre in the first nine months of the year and the present market context permit a further upward revision of 2010 targets, which had already been raised when first quarter and first half results were announced. In particular, the following is foreseen:

Pirelli & C. Group

- revenue above 4.9 billion euros;
- an Ebit margin above 7.5% compared with the prior estimate of approximately 7%, with an ebit of about 380 million euros;
- net financial debt below 700 million euros compared with the earlier forecast of about 700 million euros.

Pirelli Tyre

- revenue above 4.7 billion euros;
- Ebit margin over 8.5% with ebit of approximately 420 million euros, higher than the prior ebit forecast of at least 360 million euros.

Preliminary data for the nine months ended 30 September 2010

The first nine months of 2010 confirm the positive trend seen in the first half of the year and show a **marked improvement in operating results compared with the same period a year earlier.**

In the first nine months of 2010, the Pirelli group registered **revenue at the consolidated level of approximately 3.7 billion euros, an increase of 19%** compared with the same period in 2009 (3.1 billion euros). The **operating result after restructuring charges was over 300 million euros, an increase of over 65%** from 30 September 2009 (182.4 million euros). The **Ebit margin rose to over 8%** from 5.9% in the first nine months of 2009.

For **Pirelli Tyre**, volume growth and a positive price/mix contribution, combined with internal efficiencies, more than compensated for the impact of higher raw material costs and other production factors, with a consequent improvement in the operating results.

In the first nine months of 2010, Pirelli Tyre's operating result, after restructuring charges, climbed to more than 330 million euros, an increase of approximately 50% from 222.7 million euros on 30 September 2009, and equal to 9.4% (7.5% in the first nine months of 2009) of revenue of approximately 3.5 billion euros (+20% from 2,958.6 million euros on 30 September 2009).

The group's net financial debt on 30 September 2010 was approximately 700 million euros compared with 696.9 million euros on 30 June 2010 (528.8 million euros at end December 2009).

Vittorio Malacalza nominated vice president

The Board of Directors also proceeded to nominate Vittorio Malacalza as the company's Vice President, already co-opted during the Board meeting on July 29.

Pirelli will present its new three-year plan for the period 2011-2013, with its vision of the scenario to 2015, to the financial community on 4 November 2010.

The Manager mandated to draft corporate accounting documents of Pirelli & C. S.p.A., Francesco Tanzi, declares – as per art. 154-bis, comma 2 of the Testo Unico della Finanza – that the accounting information contained in this press release corresponds to the documented results, books and accounting registers.

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