



PRESS RELEASE

PIRELLI'S CREATES 'FORMULA ONE TEAM' ENTIRELY DEDICATED TO THE DEVELOPMENT AND PRODUCTION OF TYRES FOR THE HIGHEST LEVEL OF GLOBAL MOTORSPORT

THE TYRES WILL BE DEVELOPED AT PIRELLI'S RESEARCH CENTRE IN MILAN AND PRODUCED AT THE IZMIT FACTORY IN TURKEY, WHERE PIRELLI'S OTHER COMPETITION TYRES ARE CURRENTLY MADE

THE FORMULA ONE PROJECT HAS NO IMPACT ON PIRELLI'S EXISTING FINANCIAL STRATEGY

Milan, 24 June 2010 - The chairman of the Pirelli Group, Marco Tronchetti Provera, and Pirelli Tyre's managing director, Francesco Gori, today presented to the media the company's plans for supplying tyres to Formula One for the three-year period between 2011-2013.

The company's programme includes the creation of a dedicated team for the development and production of Formula One tyres. The Team of internal Pirelli human resources, will be made up of engineers and researchers who have accumulated experience at the highest levels of motorsport: creating winning products for rallying, Superbike, the Rolex Sports Car Series in North America and GT racing, as well as various one-make series. This ensures that the other divisions of the company remain focused on the ongoing business.

In order to meet the Formula One teams' requirements in terms of reliability, safety and performance, Pirelli's engineers are already working on simulation models and tyre compounds that will be most suited to the rigours of Grand Prix racing.

The Pirelli Formula One team will be an international group of people based in Milan, the home of Pirelli Tyre's research and development department. This division has traditionally been at the heart of Pirelli's cutting-edge technology and is formed of 1000 research engineers, working in five development centres all over the world. Pirelli Tyre allocates each year between 3 and 4% of its revenues, the highest level in the tyre industry worldwide, to research. Motorsport activities have benefited for many years from the innovations introduced to high-performance tyres by Pirelli's Research and Development.

The Formula One tyres will be produced in the motorsport department of Pirelli's Izmit factory in Turkey, which is entirely dedicated to competition tyres.

As established by the FIA (Fédération Internationale de l'Automobile), the Pirelli Formula 1 supply agreement includes development of six different types of tyre for the whole season. Four of these will be slick tyres – with different compounds to suit various dry asphalt surfaces – and one will be a rain tyre, for heavy precipitation. Finally there will be an intermediate tyre, for damp conditions and light rain.

In co-operation with the teams, Pirelli is also ready to develop technical evolutions to the current tyres for the future, regarding in particular the wheel size.

Today's economic climate has enforced a realistic and collaborative approach to share out the production and logistical costs associated with supplying tyres to Formula One teams fairly. Pirelli will also invest in communications activities to leverage the technological and production values associated with Formula One, utilising resources and budget that have already been set aside for this specific purpose. Formula One will become an important showcase for the Pirelli brand along with its commercial and industrial growth, without impacting on the company's existing financial strategy in any way.

In the coming years, Formula One is expected to attract around two billion television viewers per season, with important media coverage in emerging markets as well. Pirelli's business development and growth strategy, which is concentrated in these areas, will benefit hugely from the global visibility offered by Formula One, helping to promote the brand and maximise return on the marketing investment.

Further information, as well as photographs and videos, are available on the website http://www.pirelli.com/web/media/press_area/default.page.

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