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PRESS RELEASE

PIRELLI: SUCCESSFULLY CONCLUDES LAUNCH OF 5-YEAR BOND ISSUE FOR 600 MILLION EURO THE ISSUE, WITH A YIELD 110 BASIS POINTS ABOVE THE REFERENCE RATE, WILL OPTIMIZE DEBT LENGTHENING MATURITIES AND REDUCING COSTS

Milan, 22 January 2018 – Pirelli today launched and successfully concluded the placement with international institutional investors of an unrated bond loan on the Euromercato for a total nominal amount of 600 million Euro, duration 5 years, at a fixed rate. As evidence of investors' faith in Pirelli, the loan received at closing total orders of 2.4 billion euro from approximately 280 international investors.

The bond issue – part of the company's EMTN (Euro Medium Term Note) program already announced to the market on December 21, 2017 – will allow us to optimize the debt, refinance future maturities for a corresponding amount, lengthen average maturities and lower overall cost.

The bond loan has the following characteristics:

- issuer: Pirelli & C. S.p.A.
- guarantor: Pirelli Tyre S.p.A.
- amount: Euro 600 million
- settlement date: 25 January 2018
- maturity: 25 January 2023
- coupon: 1.375%
- issue price: 99.502%
- redemption price: 100%

The effective yield at maturity will be 1.479% or 110 basis points higher than the reference rate (mid-swap). The bond will be listed on the Luxembourg stock exchange.

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

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