



PRESS RELEASE

- **PIRELLI TO INVEST A FURTHER 200 MILLION DOLLARS IN MEXICO OVER NEXT 3 YEARS, INVESTMENT SINCE 2012 RISES TO OVER 600 MILLION DOLLARS**
 - **NEW INVESTMENT WILL CREATE 400 ADDITIONAL JOBS**
- **PRODUCTION CAPACITY WILL INCREASE TO AROUND 7.5 MILLION TIRES ANNUALLY**

Mexico City, Milan, 20 April 2016 – Pirelli to strengthen its position in Mexico by investing an additional 200 million dollars in a new factory, in addition to the existing car tire plant in Silao. The announcement – which comes four years after the inauguration of the Pirelli factory within the Silao “Puerto Interior” industrial hub, in Guanajuato state – was made on the occasion of Italian Prime Minister Matteo Renzi’s visit to the President of Mexico Enrique Peña Nieto, during celebrations at the Palacio Nacional, the presidential headquarters in Mexico City.

The new 200 million dollar investment will begin in 2016 and will be in addition to the 360 million dollars invested to date and the 50 million already earmarked for the 2016-2017. At the end of 2018, Pirelli’s total investment in the two plants in Silao will be above 600 million dollars.

The new plant, where production is scheduled to begin in 2017, will from the beginning employ the group’s most advanced technologies and processes. The Silao plant, built in 2012, has been focused from the start on the Premium segment, with production centered on High Performance and Ultra High Performance tires for cars and SUVs, for the local and all Nafta area markets.

Pirelli’s production hub in Silao, which covers 140,000 square meters, with an annual output at the end of 2015 of around 3 million tires, will boast an annual production capacity of five million pieces at the conclusion of the initial phases of investment. Thanks to the new 200 million dollar investment, which will permit the production of about 2.5 million tires, Silao’s total production capacity will reach 7.5 million pieces by the end of 2018. Further, with this additional investment the workforce, which today stands at 1,400 employees, is forecast to grow to over 1,800, beyond the already existing 400 ancillary workers. The hub is distinguished by its high standards in terms of processes and products, as well as its environmental sustainability and technical training, destined also for the other automotive facilities present in the Guanajuato area thanks to the support provided by the Instituto Piero Pirelli.

The new investment confirms the importance of Mexico among Pirelli’s international operations, also thanks to its strategic position which has made it in recent years the ideal base to significantly develop Pirelli’s presence in the Nafta area, a market which has been confirmed as one of the most promising for the success of the Premium strategy. In 2015, Premium sales in the region grew by 24.3% and accounted for 90% of the total at the local level. Overall, last year the area registered sales of 861 million euro, an increase of 21.7% (+4.1% net of forex effects) and representing 13.7% of total group sales, up from 11.8% the prior year, levels above the forecasts contained in Pirelli 2013-2017 industrial plan.

In Nafta area the Mexican plant supports the production hub Pirelli has had since 2002 in the USA in Rome, Georgia. Pirelli aims to strengthen its collaboration with its main original equipment partners, to support the launch of new lines especially developed for clients in the area – like the Cinturato P7 All Season Plus, the Scorpion Verde All Season Plus and the Pzero All Season Plus – and to increase the weight of sales in the Replacement channel also thanks to the expansion of the FasTrack network, the growth of retail and geomarketing, capable of optimizing the management of customer inventories.

Pirelli

Founded in 1872, Pirelli is one of the world's major tire operators in terms of sales. With a commercial presence in more than 160 countries, the group counts 20 production sites in the world and employs about 37,000 people. Pirelli is also a leader in the production of high and very high end tires, thanks to its commitment to R & D, an area in which is annually invests about 3% of revenues, one of the highest levels in the tire sector, with the goal of constant improvement of performance and safety and the containment of environmental impact. Present in sporting competitions since 1907, Pirelli is the exclusive supplier for the World Superbike championship and many prestigious single marque championships, but above all of the Formula 1 championship for which it has been the sole supplier since 2011.

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