PRESS RELEASE

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PIRELLI CONCLUDES 600 MILLION EURO 5-YR BOND LAUNCH SUCCESSFULLY

THE 1.75% COUPON IS THE LOWEST IN PIRELLI'S HISTORY AND FOR AN ITALIAN UNRATED CORPORATE EUROBOND

Milan, 13 November 2014 - Pirelli has concluded the placement of an unrated bond issue with international institutional investors on the Euromercato for a total nominal value of 600 million euro. The operation obtained the lowest coupon - 1.75% - in Pirelli's history, as well as for an Italian unrated corporate Eurobond, demonstrating the confidence investors have in Pirelli's credit. The loan was placed with over 400 international investors and attracted total orders of approximately 5 billion euro.

The placement is part of a series of actions aimed at optimizing the debt structure by lengthening the average debt maturity – which goes from 1.6 years to 2.3 years - and diversifying the source of funding, and also contributes to a lowering the average cost of company debt. The operation is part of the group's Euro Medium Term Note Programme.

The bond issue has the following features:

- issuer: Pirelli International plc
- guarantor: Pirelli Tyre S.p.A.
- amount: 600 million euro
- settlement date: 18 November 2014
- maturity date: 18 November 2019
- coupon: 1.75%
- issue price: 99.498
- redemption price: 100%

The effective yield at maturity will be 1.856% or 145 basis points higher than the reference rate (mid-swap). The bond will be listed on the Luxembourg stock exchange.

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