PRESS RELEASE

EU COMMISSION'S DECISION RULES OUT PIRELLI'S PARTICIPATION IN THE ALLEGED CARTEL. PIRELLI INVOLVED ONLY WITH "PARENTAL LIABILITY" WITH RESPECT TO ITS FORMER SUBSIDIARY PRYSMIAN

PIRELLI WILL APPEAL THE DECISION

PIRELLI EXPECTS NO FINANCIAL IMPACT BECAUSE NOT INVOLVED IN ALLEGED WRONGDOING OF ITS FORMER SUBSIDIARY

Milan, 2 April, 2014 – The EU Commission's decision confirms that Pirelli & C. S.p.A. did not participate in the alleged power cables' cartel. The only link between Pirelli & C. S.p.A. and the purported antitrust violation is due to the so called "parental liability" principle, as Pirelli owned the share capital of Prysmian for part of the alleged cartel period.

Pirelli will appeal the EU Commission's decision challenging the applicability to it of the "parental liability" principle. After having completed accurate legal analysis and supported by external legal opinion, Pirelli firmly believes that there are no grounds to charge it with "parental liability" and that, as it was not involved in the alleged wrongdoing of its former subsidiary, the ultimate full responsibility for the violation (and for the payment of the fine), if any, will lie only with the company directly involved in the alleged infringement.

For these reasons, Pirelli expects no financial impact from the EU Commission's decision.

In 2009, the Commission opened an investigation alleging that manufacturers might have colluded in the market for underground and submarine power cables. The investigation concerned most of the sector's worldwide key players among which Prysmian Cables and Systems, as well as their controlling companies, that – in the case of Prysmian - included Pirelli, which owned the share capital of the cables' company from 1999 to 2005, and Goldman Sachs, to whom Pirelli sold the cable business in 2005.

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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