



PRESS RELEASE

Milan, 15 March 2016 - Following the press release issued on 19 February 2016, it is reported that the period during which the entitled persons were allowed to exercise the withdrawal right following the resolutions, adopted by the ordinary shareholders' meeting of Pirelli & C. and (as far as it pertains to them) by the special assembly of the savings shareholders' of Pirelli & C., held on 15 February 2016, of the mandatory conversion of savings shares into a special class of newly issued (delisted) non-voting shares and the adoption of the new by-laws, is ended on 5 March 2016.

According to the notices received by the Company, it results that the withdrawal right has been duly exercised in relation to No. 460,277 savings shares (currently special shares, after the mandatory conversion), for an aggregated liquidation value of Euro 6,894,028.91

The above mentioned shares for which the withdrawal right has been exercised are offered in option and for pre-emption to all shareholders of Pirelli & C., pursuant to Article 2437-*quarter*, paragraphs 1, 2 and 3, of the Italian Civil Code, at the terms and according to the modalities described in the notice filed today with the Companies' Register of Milan and attached hereto.



Società per Azioni

Registered office: Milan, Viale Piero e Albero Pirelli No. 25

Share capital: EUR 1,345,380,534.66 fully paid-in

Tax Code, VAT and Milan Companies' Register No.: 00860340157

Subject to the direction and coordination of Marco Polo International Italy S.p.A.

NOTICE TO SHAREHOLDERS

OFFER IN OPTION OF NO. 460,277 SPECIAL SHARES OF PIRELLI & C. S.p.A.

pursuant to Article 2437-*quater*, paragraphs 1, 2 and 3, of the Italian Civil Code

Pirelli & C. S.p.A. (“Pirelli” or the “Company”), with registered office in Milan, Viale Piero e Alberto Pirelli No. 25, share capital of Euro 1,345,380,534.66 fully paid-in, divided into No. 487,991,493 shares with no par value, of which No. 475,740,182 ordinary shares and No. 12,251,311 non-voting special shares, enrolled with the Companies' Register of Milan at No. 00860340157 and subject to the direction and coordination of Marco Polo International Italy S.p.A.,

WHEREAS:

- on 15 February 2016, the ordinary shareholders and (as far as it pertains to them) the special assembly of savings shareholders of Pirelli (the “Special Assembly”) resolved, among other things: (i) the mandatory conversion of savings shares into a special class of newly issued (not listed) non-voting shares (the “Mandatory Conversion”), and (ii) the adoption of a new By-Laws of Pirelli (the “New By-Laws”);
- the above mentioned resolutions were registered with the Companies' Register of Milan on 19 February 2016 (the “Date of Registration”)
- the Mandatory Conversion took place on 26 February 2016 and, therefore, the savings shares of Pirelli have been delisted from the Electronic Stock Market organized and managed by Borsa Italiana S.p.A. starting from the same date;
- since the Mandatory Conversion entailed the delisting of the savings shares of Pirelli, and considering the New By-Laws of Pirelli, the savings shareholders who did not concur in the Special Assembly to the approval of the Mandatory Conversion and the New By-Laws were entitled to exercise the withdrawal right pursuant to Articles 2437-*quinquies* and 2437 of the Italian Civil Code (the “Withdrawal Right”), within fifteen days from the Date of Registration (and, therefore, within 5 March 2016);
- the Withdrawal Right has been duly exercised in relation to No. 460,277 special shares (formerly savings shares, prior to the Mandatory Conversion), equal to 3.757% of the share capital of Pirelli represented by special shares (the “Withdrawing Shares”);
- the liquidation price of the Withdrawing Shares, determined in accordance with Article 2437-*ter*, paragraph 3, of the Italian Civil Code, is equal to EUR 14,978 per share (the “Liquidation Price”), equal to an aggregate liquidation value, considering the total amount of Withdrawing Shares, of EUR 6,894,028.91;
- pursuant to Article 2437-*quater*, paragraph 1, of the Italian Civil Code, the liquidation process of the Withdrawing Shares takes place, in first instance, through the offer in option of the Withdrawing Shares to the special shareholders of Pirelli who did not exercise the Withdrawal Right, as well as to the ordinary shareholders of Pirelli.

Now, therefore, Pirelli & C. S.p.A., pursuant to Article 2437-*quater*, paragraphs 1, 2 and 3, of the Italian Civil Code,

HEREBY OFFERS IN OPTION

the Withdrawing Shares, within the terms and conditions set forth below (the "Option Offer").

The Option Offer

The Withdrawing Shares are offered in option to the holders of special shares of Pirelli who did not exercise the Withdrawal Right and to the holders of ordinary shares of Pirelli, in proportion to the number of shares (ordinary and/or special) owned by them (considering that, pursuant to Article 2357-*ter*, paragraph 2, of the Italian Civil Code, the option right pertaining to the treasury shares of the Company will be allocated proportionally to the other shares), and therefore granting an option right to each of these shares (the "Option" and, collectively, the "Options"), according to the following ratio:

No. 1 Withdrawing Share for each No. 1,057 Pirelli shares owned.

The Options may not be traded on any regulated market and will be fulfilled only up to an integer of Withdrawing Shares, with rounding down of the assignable Withdrawing Shares.

The Withdrawing Shares are offered in option in accordance with Italian applicable laws. The Withdrawing Shares and the Options are not and may not be offered or sold in those Countries and/or to parties residing therein where the Option Offer is not permitted without specific authorization in accordance with applicable laws, or in derogation of the same.

It is noted that the Withdrawing Shares offered in option are special shares of Pirelli, which are registered non-voting shares and not traded on any regulated market.

It should be noted that, according to the New By-Laws, the transfer of special shares of Pirelli to other shareholders or third parties is subject to the potential exercise of the pre-emption right by each of the other holders of special shares (as well as, in case of failure to exercise the pre-emption, to the potential purchase by the Company), within the terms and conditions set forth under the New By-Laws.

Furthermore, in the event that a shareholder owns, directly or indirectly, a stake at least equal to 95% of the share capital of Pirelli represented by special shares, the special shares held by each shareholder, which individually holds a participation of less than 2% of share capital represented by such special shares, may be redeemed by the Company (the "Redemption Right"), in accordance with Article 2357 of the Italian Civil Code (for further information, see the report prepared by the Board of Directors of Pirelli in relation to the adoption of the New By-Laws, pursuant to Article 125-*ter*, paragraph 1, of the Italian Legislative Decree n. 58/1998, and released in accordance with applicable laws and made available on the Company's web site www.pirelli.com).

In this respect, it is noted that the shareholder Marco Polo Industrial Holding S.p.A. has communicated to the Company its intention to exercise in full the Options granted to it; as a consequence thereof, Marco Polo Industrial Holding S.p.A. will hold a number of special shares (to be added, according to the New By-Laws, to the treasury shares of Pirelli) higher than the above mentioned 95% threshold of the share capital of Pirelli represented by special shares.

If the Company exercises the Redemption Right, the redemption price to be paid to the holders of special shares so redeemed will be determined with reference to the criteria set forth under Article 2437-*ter*, paragraph 2, of the Italian Civil Code, for the liquidation of the not-listed shares; therefore such redemption price might be lower than the Option Offer Price (as defined below) of the Withdrawing Shares.

Option Offer Price

The Withdrawing Shares are offered in option at a price equal to EUR 14,978 per share (the "Option Offer Price"), which is equal to the Liquidation Price per each Withdrawing Share.

Option Offer Period

The entitled shareholders of Pirelli may exercise, subject to forfeiture, their Options starting from 15 March 2016 until 15 April 2016 (both included).

Exercise procedures

The exercise of the Option shall take place through intermediaries belonging to the centralized management system Monte Titoli S.p.A. (the "Intermediaries"), by signing a form consistent with the

facsimile made available by the Company to the Intermediaries (the "Subscription Form"), subject to the Intermediaries having previously verified that the subscribing shareholder is entitled to buy the Withdrawing Shares.

Pre-emption Right

Entitled shareholders who exercise the Options (notwithstanding the number of Withdrawing Shares assignable upon such exercise) are also granted with a pre-emption right (the "Pre-emption Right") to purchase – at the same Offer Option Price – the Withdrawing Shares that will result not purchased at the end of the Option Offer Period (the "Remaining Shares"), provided that they made the relevant request in the Subscription Form.

To this purpose, the maximum number of Remaining Shares for which the Pre-emption Right is being exercised will have to be specified in the relevant section of the Subscription Form. If the number of shares for which the Pre-emption Right is exercised is higher than the Remaining Shares, such Remaining Shares will be allocated to all applicants in proportion to the number of shares of Pirelli (ordinary and/or special) held by each; should any Remaining Shares remain unsold after allocation on the basis of whole numbers, the Remaining Shares will be allocated applying the criteria of the highest remainder. The number of Remaining Shares allocated following the exercise of the Pre-emption Right will be communicated by the Intermediaries according to the respective timing and procedures.

Terms and conditions for the payment, transfer and delivery of the Withdrawing Shares

The results of the Option Offer will be communicated by the Company (also taking into account the potential exercise of the Pre-emption Right), with a specific press notice that will be made available on the Company's web site www.pirelli.com. Such notice will contain terms and conditions for the payment and transfer of the Withdrawing Share, provided that the settlement will take place through Monte Titoli S.p.A..

Milan, 15 March 2016.

For the Board of Directors of Pirelli & C. S.p.A.
Executive Vice Chairman and CEO
Marco Tronchetti Provera