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PRESS RELEASE

**PIRELLI HAS FILED AN APPLICATION FOR ADMISSION TO LISTING OF ITS
ORDINARY SHARES ON THE MERCATO TELEMATICO AZIONARIO ORGANIZED
AND MANAGED BY BORSA ITALIANA**

Global Offering up to 40% of the share capital of the Company, including the Greenshoe option

First day of trading envisaged during October

Milano, 4 September 2017 – Pirelli & C. S.p.A. (the "**Company**" or "**Pirelli**") announces that on 1 September 2017, it filed an application with Borsa Italiana S.p.A. ("**Borsa Italiana**") for the admission to listing of its ordinary shares (the "**Shares**") on the Mercato Telematico Azionario organized and managed by Borsa Italiana (the "**Mercato Telematico Azionario**"), in connection with its proposed initial public offering (the "**Listing**").

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The free float for the purposes of listing of the Shares will be realized through a secondary public offering in Italy and a private placement (the “**Global Offering**” and, together with the Listing, the “**Transaction**”).

In connection with the Transaction, the Company has prepared a Registration Document, a Securities Note and a Summary Note, which, collectively, comprise the Prospectus relating to public offering and the admission to listing of the Shares, which has been filed with Consob for approval.

Information relating to the Global Offering

It is envisaged that the Global Offering will be composed of:

- i. a public offering (the “**Italian Public Offering**”) to retail investors in Italy. Institutional investors may not participate in the Italian Public Offering and may only participate in the Institutional Offering described in paragraph (ii) below; and
- ii. A simultaneous private placement (the “**Institutional Offering**”) reserved for qualified investors in Italy and institutional investors abroad pursuant to Regulation S of the United States Securities Act of 1933, as subsequently amended (the “**Securities Act**”), and, in the United States of America, limited to “qualified institutional buyers” pursuant to Rule 144A of the Securities Act, with the exclusion on any country in which the offer of financial instruments is not permitted without specific authorization of the relevant authorities, in accordance with applicable laws or by way of exception to such provisions.

The Shares offered in the Global Offering are to be sold by Marco Polo International Italy S.p.A. (“**Marco Polo**”), which currently holds 100% of the Company’s share capital. Marco Polo’s share capital is held as follows: 65% by Fourteen Sundew S.à r.l. (“**SPV Lux**”) (a company incorporated under the laws of Luxembourg, indirectly controlled by ChemChina), 22.40% by Camfin S.p.A. (“**Camfin**”) (a company incorporated under the laws of Italy, indirectly controlled by Mr. Marco Tronchetti Provera and with UniCredit S.p.A. and Intesa Sanpaolo S.p.A. among its shareholders), and 12.60% by Long Term Investments Luxembourg S.A. (“**LTI**”).

The aggregate number of Shares to be offered and sold in the context of the Global Offering, in addition to other relevant terms of the Global Offering, will be determined immediately before the commencement of the Global Offering. A Greenshoe option is also expected to be provided in connection with the Global Offering. As of the date of this announcement, it is expected that the Global Offering, including the Greenshoe option, will be up to 40% of Pirelli’s Share capital.

The Company will be subject to customary lock-up commitments, for a period of 180 days from the date of the listing of the Shares. Marco Polo, as selling shareholder, will be subject to customary lock-up commitments, for a period of 180 days in relation to the Shares indirectly owned by LTI and for a period of 365 for the remaining Shares indirectly owned by SPV Lux and Camfin, starting from the date of the listing of the Shares.

The commencement of the Global Offering will be subject to market conditions and to the receipt of the authorization to the admission to listing by Borsa Italiana and to the approval of the Prospectus by Consob. It is expected that the listing of the Shares will commence in October, subject to the prevailing market conditions at the time, and upon the receipt of the consent in relation to the admission to listing by Borsa Italiana and the approval of the Prospectus by Consob.

In the context of the Transaction, Banca IMI, J.P. Morgan and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners while BNP PARIBAS, BofA Merrill Lynch, Goldman Sachs International, HSBC, Mediobanca and UniCredit Corporate & Investment Banking are acting as Joint Bookrunners. Banca IMI is also acting as Sponsor of the admission to listing of the Shares on the Mercato Telematico Azionario and as lead manager (*Responsabile del Collocamento*) of the Italian Public Offering. Lazard is acting as Financial Advisor.

Information relating to Pirelli

For further information on Pirelli, its business and on the recent developments and future prospects, please refer to the press releases published on 1 September 2017.

Dividend policy

Following the listing of the Shares and starting from the approval of the financial statements as of and for the year ending 31 December 2018, the adoption of a dividend policy that provides for a distribution of 40% of consolidated net income over the term of the Business Plan 2017 – 2020 is envisaged.

Distribution of dividends will be subject to Pirelli's ability to accumulate distributable profits and available reserves, which itself depends on a number of factors which are unforeseeable as of the date of this announcement, and are in part beyond Pirelli's control, such as Pirelli's results in future years, the overall condition of the economy generally, and of the market segments in which Pirelli operates. For this reason, notwithstanding the approval of the abovementioned dividend policy, it is not possible either to guarantee that the above-mentioned dividends will be effectively distributed, or to forecast their exact amount.

Pirelli & C. S.p.A. hereby states that it chose to adhere to the simplified regime set forth under Articles 70, paragraph 8 and 71, paragraph 1-bis, of the CONSOB Issuers Regulation No. 11971/1999, as amended, and therefore it has the faculty to derogate from the obligation to publish the informative documents pursuant to Articles 70, paragraph 6 and 71, paragraph 1, of the above-mentioned Regulation in the event of significant mergers, spin-offs, share capital increases by means of contributions in kind, acquisitions and transfers.

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This press release contains certain forward-looking statement, projections, objectives, estimates and forecasts reflecting management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal", or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company or any Group company participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to the Group as of the date hereof. No Group company undertakes any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to any Group company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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