

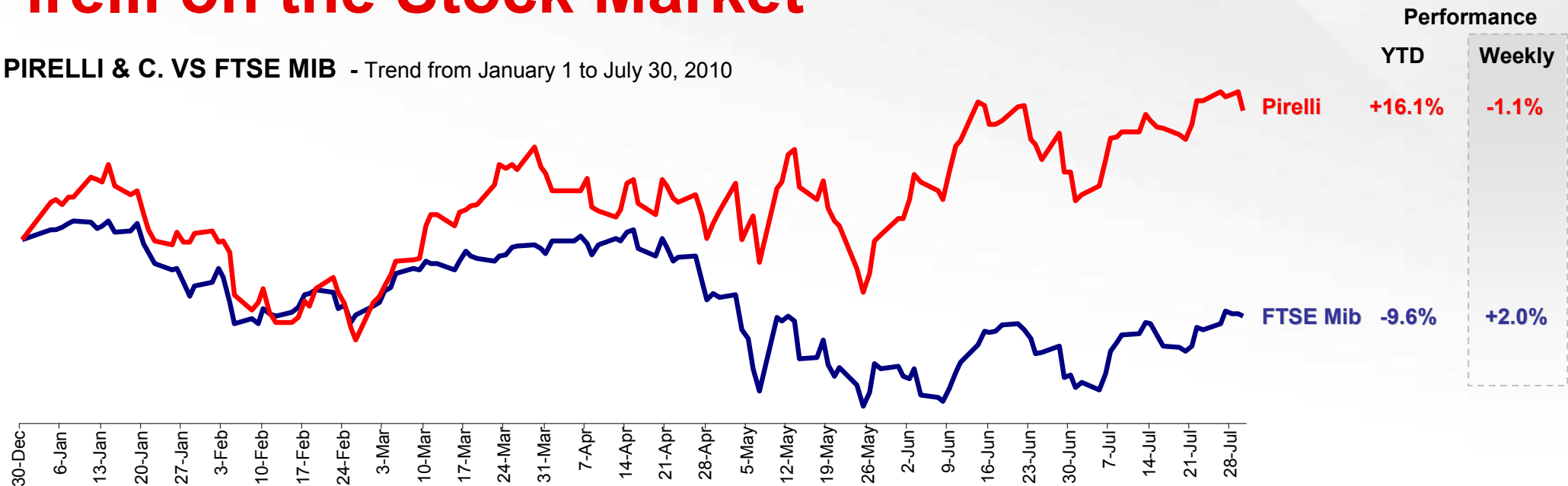


PEERS & MARKETS

26 July – 30 July 2010

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 1 to July 30, 2010



	Official Close July 30	Percentage change				Daily average volumes		
		Week 26 Jul - 30 Jul	1 Month	3 Months	Year to date	Week 26 Jul - 30 Jul	1 Month	3 Months
Pirelli & C. Ord.	5.365	(1.1)	7.1	12.1	16.1	3,820,037	3,387,963	5,331,837
Pirelli & C. Fisp.	5.130	(0.8)	3.6	(15.5)	3.6	14,931	13,191	29,761
Pirelli Real Estate	0.367	2.4	10.4	(12.7)	(28.4)	3,571,382	5,703,645	6,664,202
FTSE All Share	21463	1.8	8.0	(3.2)	(9.3)	868,482,837	945,921,401	1,223,792,523
FTSE MIB	21022	2.0	8.9	(2.5)	(9.6)	760,525,003	833,143,851	1,081,333,892

Sell side analysts evaluation on Pirelli & C (02/08/2010)

Consensus Target Price: € 6.04

% Buy: 83%

% Sell: 0%

% Hold: 17%

Market Cap: €2,618.5 mln (of which ord. €2,554.7 mln)

Source: Reuters



Markets

	Official Close July 30	Percentage change (%)			
		Week 26 Jul - 30 Jul	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	255.350	(0.2)	4.9	(1.8)	0.6
FTSE MIB	21021.560	2.0	8.9	(2.5)	(9.6)
FTSE 100	5258.020	(1.0)	6.9	(5.3)	(2.9)
DAX	6147.970	(0.3)	3.1	0.2	3.2
CAC 40	3643.140	1.0	5.8	(4.6)	(7.4)
IBEX 35	10499.800	1.1	13.3	0.1	(12.1)
OMX Stockholm	6637.690	0.1	6.2	(5.1)	2.8
OMX Helsinki	10499.800	1.1	13.3	0.1	(12.1)
UNITED STATES					
DJ Industr. Average	10467.160	0.4	7.1	(4.9)	0.4
S&P 500	1101.530	(0.1)	6.9	(7.2)	(1.2)
NASDAQ Composite	2254.700	(0.7)	6.9	(8.4)	(0.6)
ASIA					
Nikkei 225 (Giappone)	9537.300	1.1	1.6	(13.7)	(9.6)
Hang Seng (HK)	21029.810	1.0	4.5	(0.4)	(3.9)
All ordinaries (Australia)	4507.438	0.7	4.2	(6.8)	(7.7)
Strait Times (Singapore)	2987.700	0.5	5.4	0.4	3.1
BSE 30 (India)	17868.290	(1.4)	0.9	1.8	2.3
EMIRATES					
Abu Dhabi	2535.310	(0.9)	1.0	(8.7)	(7.6)
Dubai	1510.380	0.2	2.7	(13.2)	(16.3)
BRAZIL					
IteI (indice TLC)	1351.720	(2.3)	(1.0)	5.6	(12.5)
Bovespa	66953.830	1.8	10.8	(0.0)	(1.6)

Source: Reuters

	Official Close July 30	Percentage change (%)			
		Week 26 Jul - 30 Jul	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	255.350	(0.2)	4.9	(1.8)	0.6
Auto	259.540	(1.8)	4.6	5.6	9.9
Banks	222.080	4.9	14.7	2.9	0.0
Basic Resources	497.560	(1.4)	7.5	(4.4)	(0.8)
Chemical	456.580	(1.8)	1.4	(0.8)	(1.4)
Construction & Material	251.740	(0.9)	1.8	(12.1)	(9.3)
Industrial	415.850	(1.6)	4.4	0.4	8.0
Insurance	151.750	2.7	8.2	1.7	0.2
Finance	235.960	1.7	5.4	(2.4)	1.3
Food & Beverage	329.440	(4.4)	(1.1)	0.9	8.3
FTSE EPRA Eu Residential	1556.590	0.7	8.4	0.9	(2.0)
Media	171.610	0.7	6.7	(0.3)	7.8
Oil&Gas	295.110	(0.9)	7.9	(11.4)	(10.7)
Retail	258.890	(2.0)	3.1	(3.3)	6.1
Tech.	193.610	(2.4)	0.0	(7.4)	4.9
TLC	261.060	1.3	7.7	3.6	(0.0)
Travel & Leisure	119.500	(2.5)	4.6	(4.1)	11.8
Utilities	304.130	0.9	5.3	(6.7)	(11.3)
UNITED STATES					
S&P 500	1101.530	(0.1)	6.9	(7.2)	(1.2)
Auto	142.500	(0.2)	26.1	(4.7)	24.7
Banks	216.280	1.3	5.4	(13.1)	3.5
Basic Resources	223.290	(2.2)	8.9	(9.0)	(7.0)
Chemical	275.46	1.78	14.55	(4.03)	6.78
Construction & Materials	238.390	(0.6)	4.4	(25.0)	(6.4)
Industrial	269.390	0.1	9.2	(8.0)	5.7
Food & Beverage	275.800	(0.7)	6.9	(0.8)	0.6
Media	284.180	0.1	9.0	(5.9)	8.7
Oil&Gas	461.650	0.1	7.7	(10.9)	(6.9)
Insurance	247.910	0.4	4.8	(4.7)	5.7
Finance	264.040	0.9	6.8	(9.3)	2.0
RE	199.380	1.7	9.4	(2.5)	12.1
Retail	199.380	1.7	9.4	(2.5)	12.1
Tech.	576.860	(1.6)	7.4	(7.1)	(3.6)
Tyres	45.610	(10.2)	8.5	(14.1)	(15.8)
TLC	114.590	1.6	8.4	1.9	(4.2)
Utilities	146.910	(0.7)	7.1	(0.9)	(1.5)



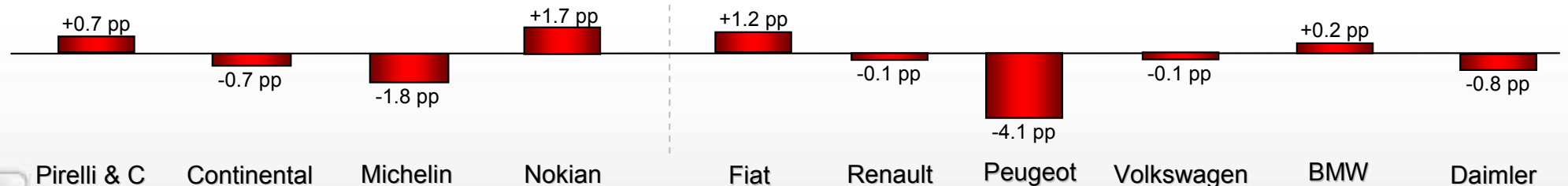
Pirelli & C. vs Auto & Parts Sector

	Official Close July 30	Percentage change				Daily average volumes		
		Week 26 Jul - 30 Jul	1 Month	3 Months	Year to date	Week 26 Jul - 30 Jul	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	259.540	(1.8)	4.6	5.6	9.9			
TYRE								
Pirelli & C	5.365	(1.1)	7.1	12.1	16.1	3,820,037	3,387,963	5,331,837
Continental	48.950	(2.5)	14.4	15.1	34.4	429,527	455,695	630,109
Michelin	58.460	(3.6)	1.3	6.5	9.1	748,681	672,530	1,095,186
Nokian	21.530	(0.1)	6.8	21.2	26.6	286,460	382,197	691,888
AUTO								
Fiat	9.830	(0.6)	15.4	(1.2)	(4.1)	19,159,307	20,886,853	29,016,134
Renault	34.235	(1.9)	11.2	(3.3)	(5.4)	2,191,849	2,184,863	2,937,472
Peugeot	22.770	(5.9)	8.1	1.4	(3.8)	3,390,529	2,380,225	2,571,641
Volkswagen	72.720	(1.9)	3.9	2.5	(4.9)	232,025	175,190	256,682
BMW	41.310	(1.6)	3.1	11.3	29.9	2,207,515	2,790,972	2,974,149
Daimler	41.375	(2.6)	(1.3)	6.6	11.1	5,075,003	4,969,691	6,492,255
USA								
TYRE								
Goodyear	10.670	(12.7)	7.3	(20.6)	(24.3)	9,254,336	4,731,096	5,177,363
Cooper	21.610	(4.8)	10.8	1.8	7.8	785,363	985,718	1,160,069
AUTO								
Ford	12.970	0.4	26.7	(1.9)	27.7	12,241,200	13,184,777	15,245,669
ASIA								
TYRE								
Bridgestone	1547.0	4.0	9.4	(1.7)	(4.9)	4,122,700	2,901,470	3,403,310
Sumitomo	918.0	0.2	8.8	1.5	6.9	1,828,500	1,906,923	2,054,879
Toyo	201.0	4.7	5.8	(5.6)	16.9	457,800	610,333	1,220,989
Yokohama	462.0	5.0	14.6	4.8	13.5	2,186,400	1,634,767	2,039,556
Hankook	26850.0	1.9	(3.9)	7.6	5.3	473,186	626,035	836,180
Khumo	4830.0	(0.6)	16.4	33.4	34.0	1,184,413	856,836	880,959
AUTO								
Toyota	3050.0	(1.1)	(1.0)	(16.8)	(21.4)	7,255,920	7,596,833	9,200,224
Nissan	664.0	6.2	6.1	(19.3)	(18.0)	19,473,740	16,855,993	19,265,924

EUROPE: WEEKLY TREND 26/07/2010 – 30/07/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

DJ STOXX AUTO & PARTS: -1.8%



Pirelli & C

Continental

Michelin

Nokian

Fiat

Renault

Peugeot

Volkswagen

BMW

Daimler

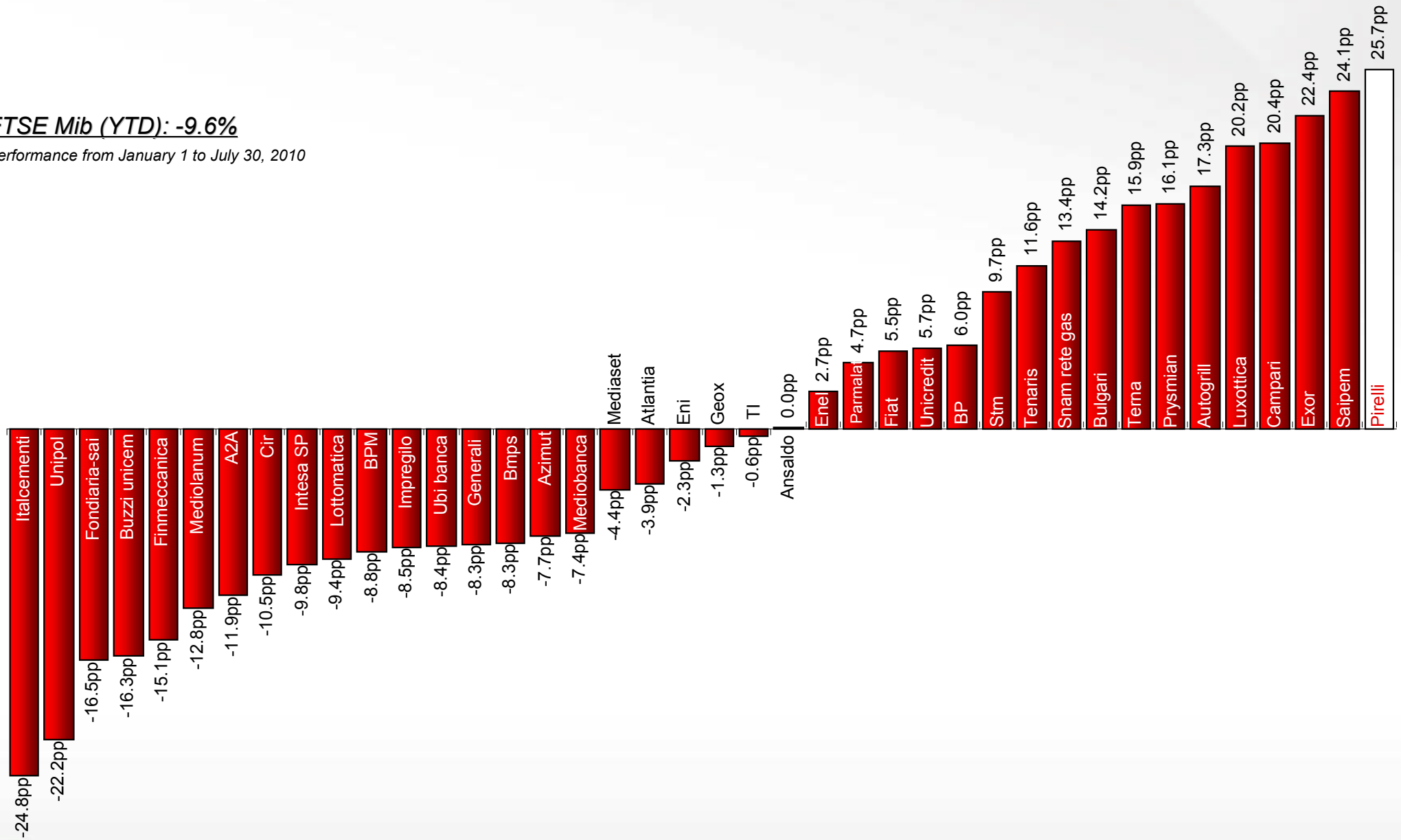
Source: Reuters

Pirelli Investor Relations - 02.08.2010

Pirelli vs FTSE Mib relative performance (YTD)

FTSE Mib (YTD): -9.6%

Performance from January 1 to July 30, 2010



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 02/08/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 2-Aug-10													
		P/E			EV/SALES			EV/EBITDA			EV/EBIT		
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
EUROPA	Michelin	12,0x	9,5x	8,0x	0,7x	0,6x	0,6x	5,2x	4,5x	3,9x	9,1x	7,3x	6,3x
	Continental	13,8x	9,9x	7,6x	0,8x	0,7x	0,6x	5,3x	4,5x	4,0x	10,1x	7,9x	6,4x
	Nokian	20,8x	15,7x		3,1x	2,6x		12,0x	9,8x		16,5x	12,5x	
	Simple average	15,5x	11,7x	7,8x	1,5x	1,3x	0,6x	7,5x	6,2x	4,0x	11,9x	9,2x	6,4x
	Weighted average *	13,9x	10,5x	6,8x	1,0x	0,9x	0,5x	6,2x	5,2x	3,5x	10,5x	8,3x	5,6x
US	Goodyear	38,0x	6,7x	4,1x	0,3x	0,3x		4,2x	3,5x		8,0x	5,2x	
	Cooper Tire	9,1x	8,4x		0,4x			3,6x			5,4x		
	Simple average	23,6x	7,6x		0,4x			3,9x			6,7x		
	Weighted average *	28,2x	7,3x		0,3x			4,0x			7,1x		
ASIA	Bridgestone	16,9x	13,6x	11,1x	0,6x	0,6x	0,6x	5,9x	5,3x	4,7x	13,8x	10,9x	9,0x
	Yokohama	17,3x	13,7x	11,3x	0,6x	0,6x	0,5x	6,3x	6,0x	5,3x	16,5x	13,8x	10,9x
	Sumitomo	15,5x	12,3x	9,5x	0,8x	0,7x	0,7x	6,8x	5,9x	5,1x	14,1x	11,2x	8,8x
	Simple average	16,6x	13,2x	10,6x	0,7x	0,6x	0,6x	6,3x	5,7x	5,0x	14,8x	12,0x	9,6x
	Weighted average *	16,7x	13,5x	10,9x	0,7x	0,6x	0,6x	6,1x	5,4x	4,8x	14,1x	11,2x	9,1x
TOT. WORLD	max	38,0x	15,7x	11,3x	3,1x	2,6x	0,7x	12,0x	9,8x	5,3x	16,5x	13,8x	10,9x
	min	9,1x	6,7x	4,1x	0,3x	0,3x	0,5x	3,6x	3,5x	3,9x	5,4x	5,2x	6,3x
	median	16,2x	11,1x	8,8x	0,7x	0,6x	0,6x	5,6x	5,3x	4,7x	11,9x	10,9x	8,8x
	Simple average	17,9x	11,2x	8,6x	0,9x	0,9x	0,6x	6,2x	5,6x	4,6x	11,7x	9,8x	8,3x
	Weighted average **	15,5x	10,9x	7,6x	0,8x	0,7x	0,5x	5,7x	4,8x	3,5x	11,0x	8,5x	6,1x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP				
Mln	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€8.864	€8.864	22,6%	41,1%
Continental	€9.902	€9.902	25,2%	45,9%
Nokian	€2.793	€2.793	7,1%	13,0%
Goodyear	\$2.592,08	€1.984	5,1%	66,2%
Cooper Tire	\$1.323,20	€1.013	2,6%	33,8%
Bridgestone	¥1.276.571	€11.263	28,7%	76,7%
Yokohama	¥157.595	€1.390	3,5%	9,5%
Sumitomo	¥230.952	€2.038	5,2%	13,9%
TOT.		€39.247		



Pirelli & C. RE vs Real Estate Sector

	Official Close July 30	Percentage change				Daily average volumes		
		Week 26 Jul - 30 Jul	1 Month	3 Months	Year to date	Week 26 Jul - 30 Jul	1 Month	3 Months
Pirelli RE	0.367	2.4	10.4	(12.7)	(28.4)	3,571,382	5,703,645	6,664,202
Tecla	439.000	4.5	3.8	1.6	4.0	31.00	23.60	30.03
Olinca	352.940	2.2	3.5	(6.9)	8.6	182.80	119.23	139.52
ITALIA								
Epra Europe	1556.590	0.7	8.4	0.9	(2.0)			
Beni Stabili	0.635	0.7	1.5	(3.4)	10.3	1,986,726	2,822,044	4,616,733
Aedes	0.206	3.5	5.9	(4.5)	0.7	591,055	1,286,226	2,652,508
Bastogi	1.800	0.0	(1.1)	(6.7)	(14.5)	2,475	7,112	8,292
Brioschi	0.179	5.9	(0.6)	(18.6)	(17.9)	327,756	378,733	665,295
Gabetti	0.356	(0.8)	3.6	(13.9)	(43.3)	61,438	117,504	178,656
IGD	1.160	1.8	5.5	(13.4)	(25.6)	247,373	279,869	488,693
Risanamento	0.326	(0.3)	(7.8)	(9.4)	(22.6)	932,761	713,338	639,384

WEEKLY TREND 26/07/2010 – 30/07/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX

EPRA EUROPE INDEX: +0.7%



Source: Reuters

