

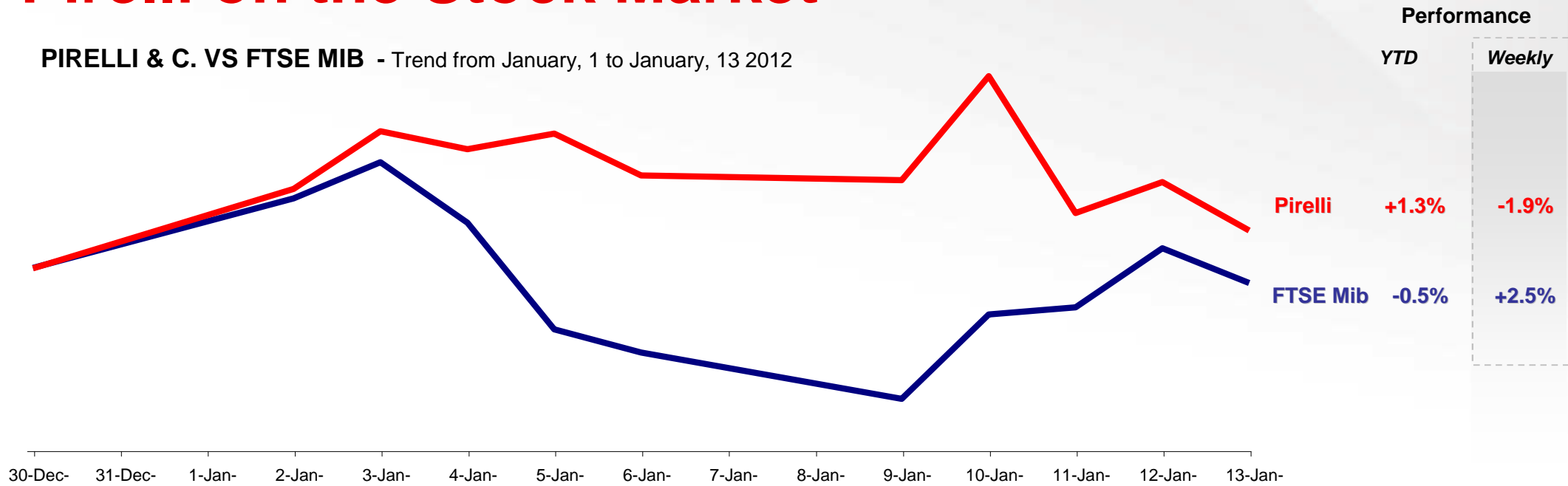


# **PEERS & MARKETS**

9 - 13 January 2012

# Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January, 1 to January, 13 2012



	Official Close January, 13	Percentage change				Daily average volumes		
		1 Week 9 - 13 Jan	1 Month	3 Months	Year to date	1 Week 9 - 13 Jan	1 Month	3 Months
Pirelli & C. Ord.	6.590	(1.9)	(3.5)	6.9	1.3	7,398,757	4,006,132	4,718,166
Pirelli & C. Risp.	4.494	0.0	(2.5)	(1.9)	1.7	13,111	7,689	10,354
Prelios	0.073	(7.6)	(29.0)	(67.1)	(11.3)	7,452,683	8,050,136	7,881,979
FTSE All Share	15852	2.1	1.5	(4.7)	0.0	908,673,102	824,042,627	1,023,968,735
FTSE MIB	15011	2.5	1.1	(5.6)	(0.5)	769,517,151	685,547,776	881,208,566

## Sell side analysts evaluation on Pirelli & C (16/01/2012)

Consensus Target Price: € 8.73

Buy: 96%

% Sell: 4%

% Hold: 0%

Market Cap: €3,297.1 mln (of which ord. €3,242.2 mln)

Source: Reuters



# Markets

	Official Close Jan, 13	Percentage change (%)			
		1 Week 9 - 13 Jan	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	249.180	0.7	5.0	5.3	1.9
FTSE MIB	15011.090	2.5	1.1	(5.6)	(0.5)
FTSE 100	5636.640	(0.2)	2.7	4.3	1.2
DAX	6143.080	1.4	6.4	3.9	4.1
CAC 40	3196.490	1.9	3.8	0.3	1.2
IBEX 35	8450.600	1.9	1.5	(5.5)	(1.4)
OMX Stockholm	5569.310	1.0	6.9	(0.3)	4.0
FTSE ATHEX	570.050	0.3	(2.9)	(18.8)	(6.1)
<b>UNITED STATES</b>					
DJ Industr. Average	12471.020	0.5	3.9	8.2	1.7
S&P 500	1295.500	3.5	5.3	1.5	7.6
NASDAQ Composite	2710.670	1.4	5.1	3.5	4.1
<b>ASIA</b>					
SSE Composite (Cina)	2244.580	3.8	(0.2)	(8.0)	2.1
Nikkei 225 (Giappone)	8500.020	0.1	(0.6)	(3.7)	0.5
Hang Seng (HK)	19204.420	3.3	4.1	2.4	4.2
All ordinaries (Australia)	4255.402	2.2	0.1	(1.2)	3.5
Strait Times (Singapore)	2791.540	2.8	3.9	2.1	5.5
BSE 30 (India)	16154.620	1.9	1.0	(4.3)	4.5
<b>EMIRATES</b>					
Abu Dhabi	2344.180	(1.8)	(2.9)	(5.4)	(2.4)
Dubai	1314.470	(1.5)	(3.9)	(5.1)	(2.9)
<b>LATAM</b>					
Bovespa (Brasile)	59920.780	0.9	2.9	8.3	4.2
IPC (Messico)	37320.970	(0.7)	0.2	5.7	(1.4)
Merval (Argentina)	2819.990	(0.6)	11.3	6.0	11.8

Source: Reuters

	Official Close Jan, 13	Percentage change (%)			
		1 Week 9 - 13 Jan	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	249.180	0.7	5.0	5.3	1.9
Auto	285.490	3.6	10.1	4.2	10.2
Banks	134.450	4.2	4.1	(2.9)	1.4
Basic Resources	489.570	4.2	11.6	14.2	10.3
Chemical	541.250	2.5	11.4	10.4	5.5
Construction & Material	236.020	4.0	9.1	4.2	3.9
Industrial	407.440	1.9	8.1	4.0	4.9
Insurance	138.920	4.4	7.7	2.9	4.3
Finance	215.600	2.8	4.3	1.5	3.0
Food & Beverage	379.300	(1.6)	3.1	7.8	(1.2)
FTSE EPRA Eu Residential	1378.030	2.8	4.3	(8.3)	(2.3)
Media	162.780	0.4	4.0	5.6	0.6
Oil&Gas	343.310	(1.6)	4.1	13.3	1.8
Retail	235.410	(5.1)	(2.1)	(2.2)	(5.8)
Tech.	192.900	(0.3)	2.9	0.9	2.5
TLC	249.960	(0.7)	0.1	(0.9)	(0.9)
Travel & Leisure	115.580	1.5	6.3	8.0	2.4
Utilities	257.640	(0.8)	1.1	(6.6)	(1.2)
<b>UNITED STATES</b>					
S&P 500	1295.500	3.5	5.3	1.5	27.6
Auto	141.190	3.5	15.0	6.6	(31.6)
Banks	188.120	3.8	15.6	14.2	(22.4)
Basic Resources	238.400	2.2	6.0	6.7	(24.8)
Chemical	349.75	4.49	12.71	13.67	1.34
Construction & Materials	278.400	5.8	17.4	38.6	(2.0)
Industrial	325.380	2.7	8.3	12.2	(0.5)
Food & Beverage	331.180	(0.2)	2.7	2.2	6.3
Media	357.660	0.5	6.5	8.2	7.2
Oil&Gas	598.990	(1.3)	2.9	8.7	0.0
Insurance	262.010	1.9	6.2	10.4	(5.9)
Finance	259.280	2.6	9.2	11.3	(12.7)
RE	223.120	1.5	7.3	12.1	2.9
Retail	223.120	1.5	7.3	12.1	2.9
Tech.	683.860	0.2	2.6	1.7	(1.8)
Tyres	47.730	(9.5)	2.2	13.9	(7.8)
TLC	131.810	1.6	3.4	3.4	0.8
Utilities	170.120	(0.4)	1.1	4.2	9.8



# Pirelli & C. vs Auto & Parts Sector

	Official Close Jan, 13	Percentage change				Daily average volumes		
		1 Week 9 - 13 Jan	1 Month	3 Months	Year to date	1 Week 9 - 13 Jan	1 Month	3 Months
<b>EUROPE</b>								
DJ Stoxx Auto	285.490	3.6	10.1	4.2	10.2			
<b>TYRE</b>								
Pirelli & C	6.590	(1.9)	(3.5)	6.9	1.3	7,398,757	4,006,132	4,718,166
Continental	56.850	4.8	16.5	6.6	18.2	712,028	447,562	611,191
Michelin	47.980	2.9	3.2	(1.7)	5.0	1,137,028	838,981	1,156,162
Nokian	26.530	0.5	10.9	4.5	6.6	912,438	802,313	943,901
<b>AUTO</b>								
Fiat Auto	15.430	(2.2)	3.6	(16.3)	9.6	28,030,383	28,656,699	41,825,778
Renault	29.990	5.9	10.3	13.3	11.9	1,666,792	1,422,503	1,927,265
Peugeot	13.550	5.9	11.3	(22.8)	11.9	3,040,692	2,106,374	2,530,012
Volkswagen	114.350	3.4	6.5	13.2	10.3	152,637	104,505	150,518
BMW	58.450	5.2	10.4	6.6	12.9	2,618,416	2,341,164	3,241,157
Daimler	37.970	4.1	16.3	2.2	11.9	5,568,316	5,347,068	6,702,114
<b>USA</b>								
<b>TYRE</b>								
Goodyear	13.840	(10.9)	0.6	14.2	(4.7)	9,915,117	4,801,359	6,069,467
Cooper	14.700	(4.0)	8.5	12.9	2.6	735,739	627,151	880,385
<b>AUTO</b>								
Ford	12.140	2.8	14.9	6.2	11.9	8,410,420	7,474,068	7,698,900
<b>ASIA</b>								
<b>TYRE</b>								
Bridgestone	1733.0	(1.1)	(0.9)	(2.3)	(0.7)	3,348,880	2,457,657	2,805,232
Sumitomo	1056.0	1.4	1.5	(3.9)	1.5	1,178,460	945,337	994,184
Toyo	180.0	0.6	(0.6)	(5.8)	2.9	293,800	239,900	288,000
Yokohama	442.0	3.3	3.5	(0.5)	2.3	1,641,200	1,318,633	1,275,267
Hankook	44400.0	2.0	0.9	13.7	(1.9)	637,003	585,499	954,861
Khumo	10900.0	7.9	(7.2)	0.0	4.8	559,232	416,445	471,490
<b>AUTO</b>								
Toyota	2637.0	(0.3)	1.9	1.4	2.8	5,261,480	6,255,693	7,188,349
Nissan	686.0	(0.7)	(0.6)	(5.4)	(0.9)	16,095,980	17,036,060	16,632,338

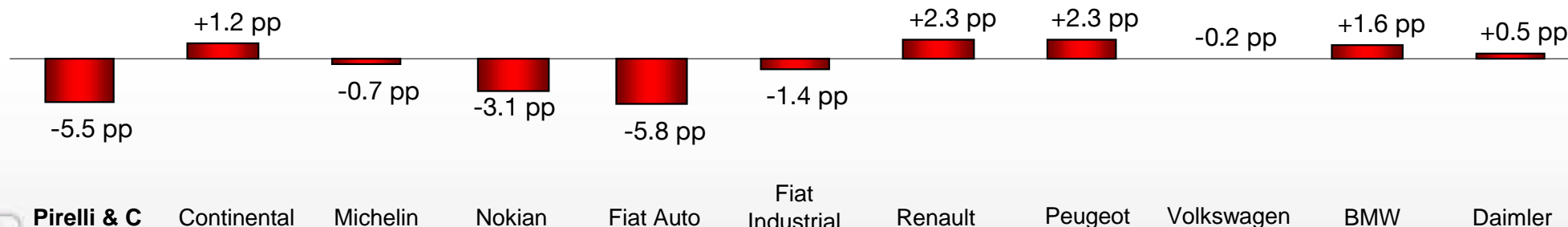
Source: Reuters

## EUROPE: WEEKLY TREND 9/1/2012 – 13/01/2012 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

### TYRE

DJ STOXX AUTO & PARTS: +3.6%

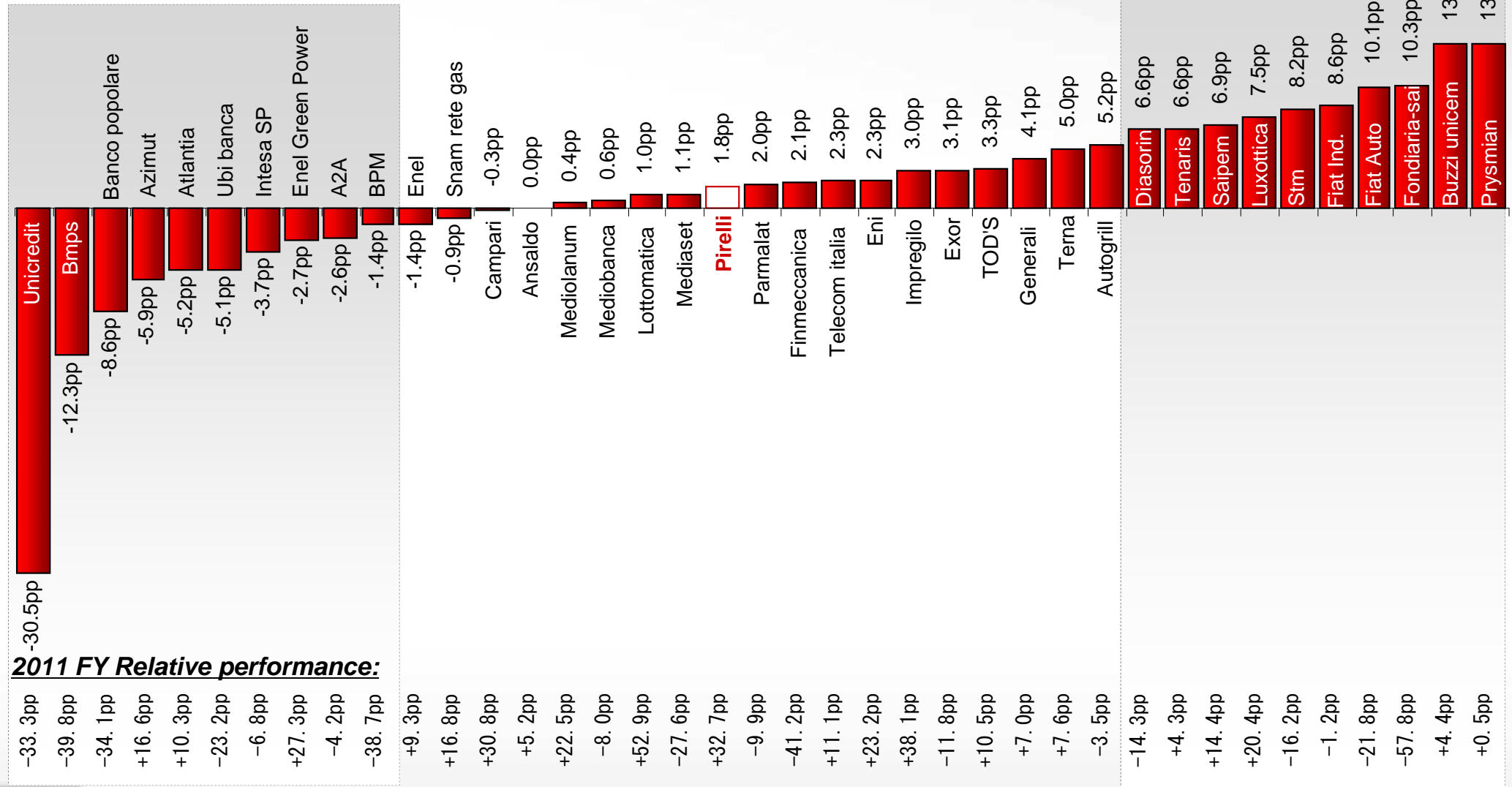
### AUTO



# Pirelli vs FTSE Mib relative performance (YTD)

Performance from January 1 to 13, 2012

FTSE Mib (YTD): -0.5%



# Tyre Sector evaluation Multiples

## CONSENSUS PEERS TYRE MARKET MULTIPLES AT 16/01/2012

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 16-Jan-12													
		P/E			EV/SALES			EV/EBITDA			EV/EBIT		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
EUROPA	Michelin	6,9x	6,8x	6,1x	0,5x	0,5x	0,5x	3,8x	3,5x	3,2x	5,8x	5,4x	4,9x
	Continental	7,7x	7,4x	7,4x	0,6x	0,6x	0,6x	4,4x	4,0x	4,0x	6,5x	5,9x	5,9x
	Nokian	11,5x	11,4x	10,0x	2,5x	2,3x	2,0x	7,7x	7,5x	6,4x	9,1x	9,2x	7,8x
	Simple average	8,7x	8,5x	7,8x	1,2x	1,1x	1,0x	5,3x	5,0x	4,5x	7,1x	6,8x	6,2x
	Weighted average*	8,0x	7,8x	7,3x	0,9x	0,8x	0,7x	4,7x	4,3x	4,1x	6,6x	6,2x	5,8x
US	Goodyear	5,9x	4,6x	4,0x	0,3x	0,3x		2,8x	2,8x		4,5x	4,3x	
	Cooper Tire	11,3x	7,8x	5,6x	0,3x	0,2x		4,2x	3,2x		7,8x	5,2x	
	Simple average	8,6x	6,2x	4,8x	0,3x	0,2x		3,5x	3,0x		6,2x	4,8x	
	Weighted average*	7,0x	5,3x	4,3x	0,3x	0,3x		3,1x	2,9x		5,2x	4,5x	
ASIA	Bridgestone	11,6x	8,5x	7,6x	0,6x	0,5x	0,5x	4,8x	3,9x	3,3x	8,8x	7,1x	5,7x
	Hankook	14,3x	11,2x	11,1x	1,7x	1,6x	1,5x	10,8x	9,1x	7,7x	15,3x	13,2x	11,9x
	Yokohama	9,6x	7,1x	6,8x	0,6x	0,5x	0,4x	4,6x	4,0x	3,5x			
	Sumitomo	11,0x	7,6x	6,6x	0,7x	0,6x	0,6x	5,6x	4,7x	4,3x	11,0x	8,7x	
	Simple average	11,6x	8,6x	8,0x	0,9x	0,8x	0,8x	6,5x	5,4x	4,7x	11,7x	9,7x	8,8x
Weighted average*	10,6x	7,8x	7,1x	0,6x	0,6x	0,5x	5,0x	4,1x	3,5x	7,3x	5,9x	4,6x	
TOT. WORLD	max	14,3x	11,4x	11,1x	2,5x	2,3x	2,0x	10,8x	9,1x	7,7x	15,3x	13,2x	11,9x
	min	5,9x	4,6x	4,0x	0,3x	0,2x	0,4x	2,8x	2,8x	3,2x	4,5x	4,3x	4,9x
	median	11,0x	7,6x	6,8x	0,6x	0,5x	0,6x	4,6x	4,0x	4,0x	8,3x	6,5x	5,9x
	Simple average	10,0x	8,0x	7,2x	0,9x	0,8x	0,9x	5,4x	4,7x	4,6x	8,6x	7,4x	7,3x
	Weighted average**	9,7x	8,1x	7,5x	0,8x	0,7x	0,7x	5,2x	4,6x	3,9x	8,0x	6,9x	5,5x

\* on peers market capitalization by geographical area

\*\* on tyre sector market capitalization

WORLD TYRE MARKET CAP			
Mln	Local currency	€ adjustment	% on cluster
	Michelin	€8.796	17,5%
	Continental	€11.528	23,0%
	Nokian	€3.507	7,0%
	Goodyear	\$3.298,81	5,2%
	Cooper Tire	\$895,60	1,4%
	Bridgestone	¥1.387.966	28,4%
	Yokohama	¥150.058	3,1%
	Sumitomo	¥245.156	5,0%
	Hankook	₩6.920.113	9,4%
	TOT.	€50.206	

