

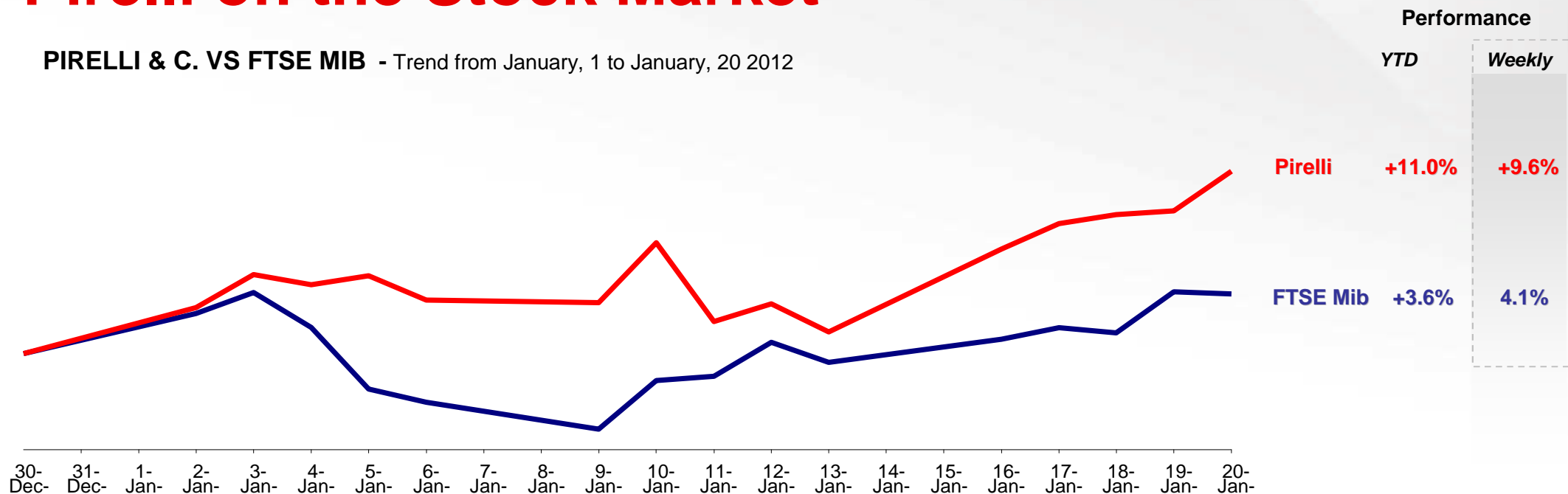


PEERS & MARKETS

16 – 20 January 2012

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January, 1 to January, 20 2012



	Official Close January, 20	Percentage change				Daily average volumes		
		1 Week 16 - 20 Jan	1 Month	3 Months	Year to date	1 Week 16 - 20 Jan	1 Month	3 Months
Pirelli & C. Ord.	7.220	9.6	9.2	16.4	11.0	6,038,073	4,332,336	4,705,955
Pirelli & C. Risp.	4.526	0.7	0.8	(4.7)	2.4	13,686	8,663	10,357
Prelios	0.082	12.2	(9.9)	(61.1)	(0.5)	7,240,554	7,358,562	7,779,188
FTSE All Share	16525	4.2	5.4	0.1	4.3	1,091,054,191	828,346,776	1,017,023,690
FTSE MIB	15632	4.1	4.5	(0.3)	3.6	915,987,181	687,527,177	870,851,380

Sell side analysts evaluation on Pirelli & C (23/01/2012)

Consensus Target Price: € 8.73

Buy: 92%

% Sell: 8%

% Hold: 0%

Market Cap: €3,478.6 mln (of which ord. €3,422.9 mln)

Source: Reuters



Markets

	Official Close Jan, 20	Percentage change (%)			
		1 Week 16 - 20 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	255.850	2.7	7.3	9.8	4.6
FTSE MIB	15632.060	4.1	4.5	(0.3)	3.6
FTSE 100	5728.550	1.6	5.7	6.4	2.8
DAX	6404.390	4.3	9.5	11.1	8.6
CAC 40	3321.500	3.9	8.7	7.7	5.1
IBEX 35	8561.900	1.3	1.3	(0.5)	(0.1)
OMX Stockholm	5887.160	5.7	12.8	8.2	9.9
FTSE ATHEX	636.170	11.6	9.5	(6.4)	4.7
UNITED STATES					
DJ Industr. Average	12623.980	2.0	5.1	10.2	4.1
S&P 500	1314.500	3.5	5.3	1.5	7.6
NASDAQ Composite	2786.700	2.3	7.0	7.2	7.0
ASIA					
SSE Composite (Cina)	2296.075	3.3	4.7	(0.5)	5.4
Nikkei 225 (Giappone)	8766.360	3.1	5.2	1.0	3.7
Hang Seng (HK)	19942.950	5.3	11.2	11.8	9.1
All ordinaries (Australia)	4303.022	1.1	4.8	2.3	4.7
Strait Times (Singapore)	2811.200	2.1	9.0	5.8	7.7
BSE 30 (India)	16739.010	3.6	10.3	(1.2)	8.3
EMIRATES					
Abu Dhabi	2340.520	(0.2)	(0.4)	(4.2)	(2.6)
Dubai	1334.580	1.5	(0.3)	(2.3)	(1.4)
LATAM					
Bovespa (Brasile)	61926.690	5.4	9.6	15.4	9.8
IPC (Messico)	37680.060	2.3	3.2	8.7	0.8
Merval (Argentina)	2882.140	4.1	17.4	4.7	16.4

Source: Reuters

	Official Close Jan, 20	Percentage change (%)			
		1 Week 16 - 20 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	255.850	2.7	7.3	9.8	4.6
Auto	310.870	8.9	20.4	16.8	20.0
Banks	146.170	8.7	11.7	11.2	10.3
Basic Resources	506.610	3.5	16.2	25.8	14.1
Chemical	550.370	1.7	10.5	14.3	7.2
Construction & Material	245.660	4.1	12.0	10.0	8.1
Industrial	423.490	3.9	11.2	12.5	9.0
Insurance	147.730	6.3	12.5	11.9	10.9
Finance	224.200	4.0	8.5	6.9	7.1
Food & Beverage	381.610	0.6	3.0	7.9	(0.6)
FTSE EPRA Eu Residential	1453.110	5.4	8.1	(0.9)	3.1
Media	165.540	1.7	5.3	9.3	2.3
Oil&Gas	342.820	(0.1)	5.5	9.7	1.6
Retail	243.360	3.4	0.0	1.1	(2.6)
Tech.	200.530	4.0	7.3	4.7	6.5
TLC	250.140	0.1	1.2	0.7	(0.9)
Travel & Leisure	118.430	2.5	6.9	11.3	4.9
Utilities	255.800	(0.7)	0.7	(3.7)	(1.9)
UNITED STATES					
S&P 500	1314.500	3.5	5.3	1.5	27.6
Auto	145.320	2.9	20.7	9.1	(25.9)
Banks	186.810	0.4	15.3	12.8	(20.4)
Basic Resources	237.890	(1.1)	6.9	9.4	(20.5)
Chemical	355.51	1.82	11.69	16.34	6.54
Construction & Materials	283.550	(0.0)	14.3	31.7	(1.3)
Industrial	331.600	1.5	8.5	13.7	2.3
Food & Beverage	334.220	1.1	2.5	4.3	9.3
Media	364.680	1.4	8.3	10.2	8.4
Oil&Gas	613.230	2.4	5.7	6.7	2.7
Insurance	265.400	2.3	8.1	9.2	(2.7)
Finance	261.700	1.5	9.3	10.8	(10.1)
RE	227.880	2.7	5.1	11.9	5.1
Retail	227.880	2.7	5.1	11.9	5.1
Tech.	700.480	2.8	6.2	6.8	2.3
Tyres	47.270	(0.4)	2.7	13.5	0.1
TLC	132.890	0.9	3.3	4.5	3.5
Utilities	168.630	(0.6)	(1.0)	1.7	8.1



Pirelli & C. vs Auto & Parts Sector

	Official Close Jan, 20	Percentage change				Daily average volumes			
		1 Week 16 - 20 Jan	1 Month	3 Months	Year to date	1 Week 16 - 20 Jan	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	310.870	8.9	20.4	16.8	20.0			
	TYRE								
	Pirelli & C	7.220	9.6	9.2	16.4	11.0	6,038,073	4,332,336	4,705,955
	Continental	60.570	6.5	22.6	20.7	25.9	786,184	503,244	598,327
	Michelin	51.930	8.2	15.8	7.0	13.7	982,596	836,920	1,126,290
	Nokian	27.560	3.9	14.5	8.1	10.8	1,075,437	803,124	941,741
	AUTO								
	Fiat Auto	15.430	13.6	22.8	(3.6)	24.5	41,233,955	28,687,055	41,172,160
	Renault	32.645	8.9	21.8	25.2	21.8	1,570,609	1,331,112	1,884,923
	Peugeot	14.915	10.1	19.3	(8.2)	23.2	2,424,983	2,082,736	2,493,778
	Volkswagen	122.350	7.0	16.0	22.1	18.0	139,080	104,274	146,811
BMW	63.590	8.8	21.8	17.5	22.9	2,942,829	2,418,633	3,159,073	
Daimler	41.955	10.5	26.4	19.9	23.7	7,561,288	5,630,917	6,656,466	
USA	TYRE								
	Goodyear	13.650	(1.4)	(0.1)	12.5	(3.7)	5,105,889	4,823,105	5,841,671
	Cooper	15.160	3.1	14.0	17.0	8.2	617,707	619,573	871,899
AUTO									
Ford	12.610	3.7	21.9	7.6	17.0	7,310,689	7,436,101	7,707,401	
ASIA	TYRE								
	Bridgestone	1716.0	(1.0)	0.9	(1.3)	(1.7)	2,632,160	2,419,190	2,812,888
	Sumitomo	1091.0	(1.7)	1.8	(3.9)	(0.2)	1,092,440	954,480	1,000,638
	Toyo	187.0	3.9	5.6	(2.1)	6.9	448,400	261,367	297,911
	Yokohama	450.0	1.8	5.1	2.7	4.2	1,526,800	1,374,600	1,283,333
	Hankook	47800.0	6.4	7.8	11.2	4.4	1,025,402	648,894	969,651
	Khumo	12350.0	25.7	26.3	37.4	31.7	1,408,454	575,491	538,290
	AUTO								
	Toyota	2729.0	3.5	10.2	6.8	6.4	6,726,720	6,112,133	6,797,854
Nissan	721.0	5.1	4.6	3.4	4.2	21,253,980	18,343,607	16,535,458	

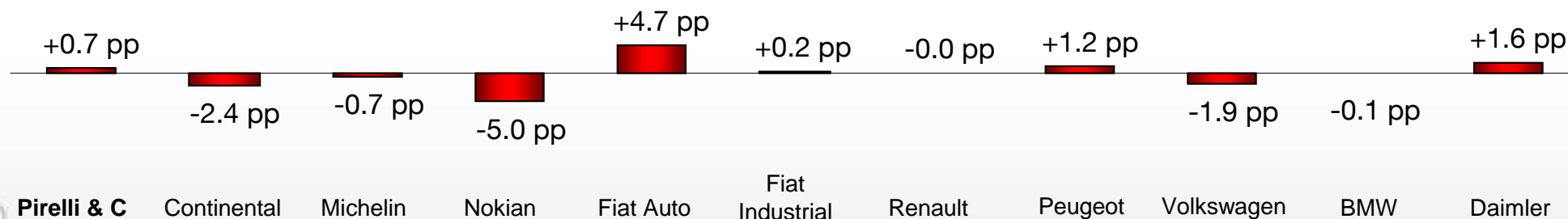
Source: Reuters

EUROPE: WEEKLY TREND 16/1/2012 – 20/01/2012 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

DJ STOXX AUTO & PARTS: +8.9%

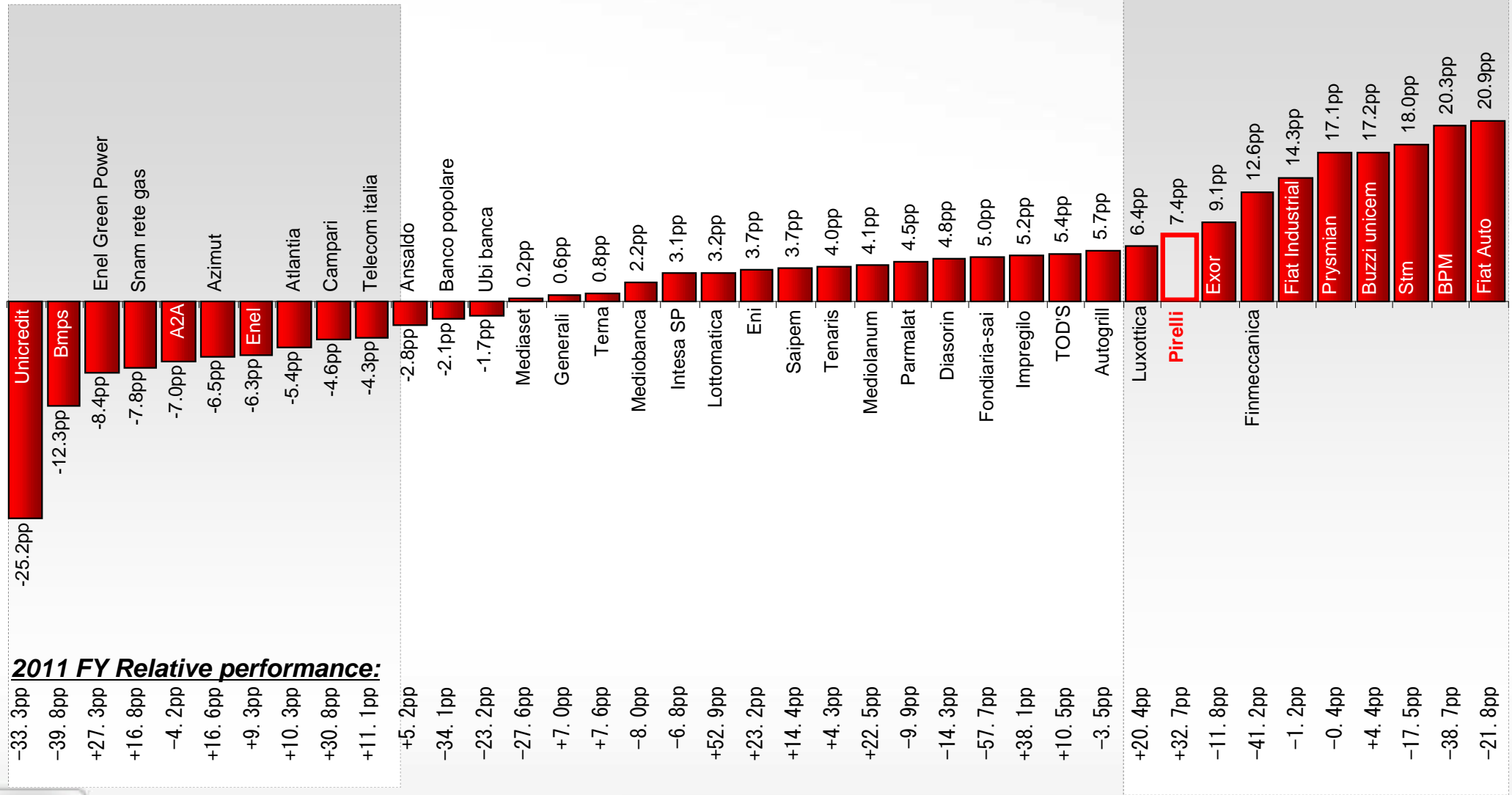
AUTO



Pirelli vs FTSE Mib relative performance (YTD)

Performance from January 1 to 20, 2012

FTSE Mib (YTD): +3.6%



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 23/01/2012

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 23-Jan-12													
		P/E			EV/SALES			EV/EBITDA			EV/EBIT		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
EUROPA	Michelin	7.3x	7.2x	6.4x	0.5x	0.5x	0.5x	3.9x	3.7x	3.3x	6.0x	5.6x	5.1x
	Continental	8.2x	7.6x	7.6x	0.6x	0.6x	0.6x	4.5x	4.1x	4.1x	6.7x	6.0x	6.0x
	Nokian	11.5x	11.5x	10.1x	2.5x	2.3x	2.0x	7.7x	7.5x	6.4x	9.1x	9.2x	7.9x
	Simple average	9.0x	8.7x	8.0x	1.2x	1.1x	1.0x	5.4x	5.1x	4.6x	7.3x	6.9x	6.3x
	Weighted average*	8.3x	8.0x	7.5x	0.9x	0.8x	0.7x	4.7x	4.4x	4.1x	6.8x	6.3x	5.9x
US	Goodyear	6.1x	4.7x	4.0x	0.3x	0.3x		2.9x	2.8x		4.7x	4.3x	
	Cooper Tire	12.0x	8.2x	5.9x	0.3x	0.3x		4.4x	3.3x		8.1x	5.4x	
	Simple average	9.0x	6.4x	5.0x	0.3x	0.3x		3.7x	3.1x		6.4x	4.9x	
	Weighted average*	7.4x	5.4x	4.5x	0.3x	0.3x		3.2x	2.9x		5.4x	4.6x	
ASIA	Bridgestone	11.5x	8.3x	7.4x	0.6x	0.5x	0.5x	4.8x	3.9x	3.3x	8.8x	7.1x	5.7x
	Hankook	14.9x	11.6x	10.2x	1.8x	1.7x	1.6x	11.3x	8.9x	7.9x	16.0x	13.5x	12.5x
	Yokohama	9.7x	7.2x	6.9x	0.6x	0.5x	0.4x	4.6x	4.1x	3.6x			
	Sumitomo	10.6x	7.4x	6.4x	0.7x	0.6x	0.6x	5.5x	4.6x	4.2x	10.8x	8.6x	
	Simple average	11.7x	8.6x	7.7x	0.9x	0.8x	0.8x	6.5x	5.4x	4.7x	11.8x	9.7x	9.1x
	Weighted average*	10.5x	7.7x	6.9x	0.6x	0.6x	0.5x	5.0x	4.0x	3.5x	7.2x	5.9x	4.6x
TOT. WORLD	max	14.9x	11.6x	10.2x	2.5x	2.3x	2.0x	11.3x	8.9x	7.9x	16.0x	13.5x	12.5x
	min	6.1x	4.7x	4.0x	0.3x	0.3x	0.4x	2.9x	2.8x	3.3x	4.7x	4.3x	5.1x
	median	10.6x	7.6x	6.9x	0.6x	0.5x	0.6x	4.6x	4.1x	4.1x	8.5x	6.5x	6.0x
	Simple average	10.2x	8.2x	7.2x	0.9x	0.8x	0.9x	5.5x	4.8x	4.7x	8.8x	7.5x	7.4x
	Weighted average**	9.9x	8.2x	7.5x	0.8x	0.8x	0.7x	5.3x	4.6x	4.0x	8.1x	7.0x	5.7x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP			
Min	Local currency	€ adjustment	% on cluster
	Michelin	€9,336	18.3%
	Continental	€12,012	23.6%
	Nokian	€3,526	6.9%
	Goodyear	\$3,335.46	5.1%
	Cooper Tire	\$944.18	1.4%
	Bridgestone	¥1,381,461	27.2%
	Yokohama	¥152,456	3.0%
	Sumitomo	¥237,002	4.7%
	Hankook	₩7,194,177	9.7%
TOT.		€50,883	

