



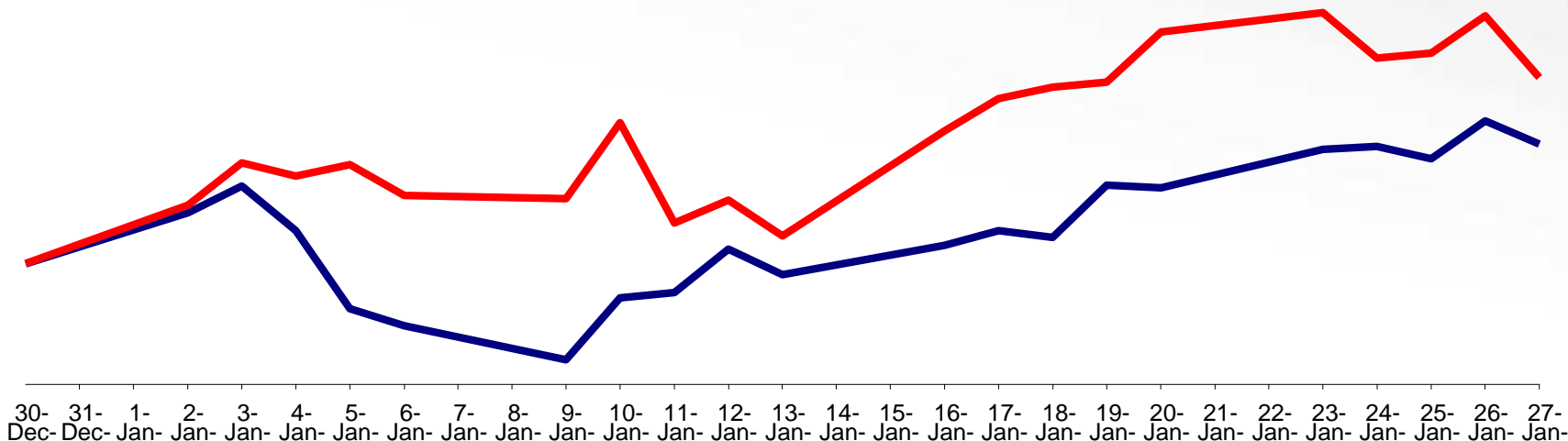
PEERS & MARKETS

	MARKET	DATE	CLOSE PRICE	% CHG	T1M % CHG
	Milano - Azioni	27/01/2012	€7,08	-2.61% ▼	+8.8% ▲
	XETRA	27/01/2012	€59,49	-3.36% ▼	+23.7% ▲
	Euronext - Paris	27/01/2012	€52,25	-2.17% ▼	+14.2% ▲
	NYSE	27/01/2012	€13,59	+1.04% ▲	-4.7% ▼
	Frankfurt Regional	27/01/2012	¥ 1.743	+0.69% ▲	-0.1% ▼
	Frankfurt Regional	27/01/2012	€27,29	-2.36% ▼	+9.7% ▲
	Frankfurt Regional	27/01/2012	W46.250	-0.75% ▼	+2.2% ▲

23 – 27 January 2012

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January, 1 to January, 27 2012



Performance

YTD Weekly

Pirelli +8.8% -1.9%

FTSE Mib +5.7% +2.0%

	Official Close January, 27	Percentage change				Daily average volumes		
		1 Week 23 - 27 Jan	1 Month	3 Months	Year to date	1 Week 23 - 27 Jan	1 Month	3 Months
Pirelli & C. Ord.	7.080	(1.9)	8.6	4.6	8.8	3,022,991	4,112,117	4,618,372
Pirelli & C. Risp.	4.610	1.9	4.0	(5.4)	4.3	18,640	10,725	10,990
Prelios	0.091	11.3	13.7	(60.9)	10.8	11,717,479	8,468,447	8,087,741
FTSE All Share	16854	2.0	7.5	(4.9)	6.3	1,298,363,750	894,101,187	1,026,959,262
FTSE MIB	15947	2.0	6.9	(5.9)	5.7	1,076,689,967	736,800,481	875,797,315

Sell side analysts evaluation on Pirelli & C (30/01/2012)

Consensus Target Price: € 8.73

Buy: 92%

% Sell: 4%

% Hold: 4%

Market Cap: €3,431.98 mln (of which ord. €3,375.38 mln)

Source: Reuters



Markets

	Official Close Jan, 27	Percentage change (%)			
		1 Week 23 - 27 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	255.400	(0.2)	5.6	2.4	4.4
FTSE MIB	15946.870	2.0	6.9	(5.9)	5.7
FTSE 100	5733.450	0.1	4.0	0.3	2.9
DAX	6511.980	1.7	10.6	2.7	10.4
CAC 40	3318.760	(0.1)	6.9	(1.5)	5.0
IBEX 35	8657.300	1.1	1.5	(6.6)	1.1
OMX Stockholm	5833.690	(0.9)	10.6	(3.1)	8.9
FTSE ATHEX	700.640	10.1	17.5	(4.7)	15.4
UNITED STATES					
DJ Industr. Average	12734.630	(0.5)	3.0	3.7	3.6
S&P 500	1318.430	3.5	5.3	1.5	7.6
NASDAQ Composite	2816.550	1.1	7.3	2.8	8.1
ASIA					
SSE Composite (Cina)	2319.118	3.3	4.7	(0.5)	5.4
Nikkei 225 (Giappone)	8841.220	0.9	4.7	(1.0)	4.6
Hang Seng (HK)	20501.670	7.8	10.1	7.5	11.2
All ordinaries (Australia)	4348.482	1.6	3.7	(1.3)	5.8
Strait Times (Singapore)	2916.260	4.3	9.1	2.4	10.2
BSE 30 (India)	17233.980	3.5	8.6	(0.3)	11.5
EMIRATES					
Abu Dhabi	2432.610	3.9	1.3	(1.6)	1.3
Dubai	1401.560	5.0	3.6	1.6	3.6
LATAM					
Bovespa (Brasile)	62904.200	1.6	8.4	6.1	10.8
IPC (Messico)	37184.710	(0.5)	0.3	1.2	0.3
Merval (Argentina)	2831.580	(1.3)	15.2	(5.8)	15.0

Source: Reuters

	Official Close Jan, 27	Percentage change (%)			
		1 Week 23 - 27 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	255.400	(0.2)	5.6	2.4	4.4
Auto	314.360	1.1	19.8	4.5	21.4
Banks	148.590	1.7	12.3	(0.3)	12.1
Basic Resources	513.890	1.4	15.5	10.1	15.8
Chemical	552.320	0.4	9.3	5.6	7.6
Construction & Material	246.080	0.2	10.5	0.4	8.3
Industrial	417.020	(1.5)	9.0	0.9	7.3
Insurance	149.350	1.1	12.2	1.5	12.1
Finance	226.840	1.2	9.1	1.4	8.3
Food & Beverage	380.660	(0.2)	0.9	5.8	(0.9)
FTSE EPRA Eu Residential	1480.470	1.9	7.3	(2.8)	5.0
Media	164.350	(0.7)	2.9	1.6	1.6
Oil&Gas	340.650	(0.6)	1.8	3.0	1.0
Retail	240.970	(1.0)	(1.6)	(3.8)	(3.6)
Tech.	196.540	(2.0)	5.9	(3.6)	4.4
TLC	245.470	(1.9)	(1.5)	(4.9)	(2.7)
Travel & Leisure	117.940	(0.4)	6.2	4.6	4.5
Utilities	257.390	0.6	(0.3)	(7.4)	(1.3)
UNITED STATES					
S&P 500	1318.430	3.5	5.3	1.5	27.6
Auto	147.960	(1.5)	14.5	0.6	(31.1)
Banks	186.430	(0.7)	10.3	2.6	(21.0)
Basic Resources	243.580	3.8	10.1	(1.0)	(18.5)
Chemical	358.13	1.66	10.29	7.16	5.47
Construction & Materials	275.110	(0.4)	14.7	21.6	(2.0)
Industrial	332.880	0.8	7.4	6.3	0.1
Food & Beverage	334.950	(0.5)	0.3	1.6	9.3
Media	366.040	0.6	6.1	5.3	7.5
Oil&Gas	614.250	(0.1)	2.2	(0.6)	0.3
Insurance	264.430	(1.4)	3.6	(0.6)	(6.6)
Finance	262.620	0.0	6.7	1.4	(11.3)
RE	235.250	2.8	5.8	5.1	4.3
Retail	235.250	2.8	5.8	5.1	4.3
Tech.	709.110	1.1	7.1	2.5	1.1
Tyres	46.970	(0.7)	(1.8)	(2.7)	(4.9)
TLC	128.930	(3.5)	(2.7)	(1.0)	(2.4)
Utilities	171.480	0.2	(3.7)	(1.2)	7.8



Pirelli & C. vs Auto & Parts Sector

	Official Close Jan, 27	Percentage change				Daily average volumes		
		1 Week 23 - 27 Jan	1 Month	3 Months	Year to date	1 Week 23 - 27 Jan	1 Month	3 Months
EUROPE								
DJ Stoxx Auto	314.360	1.1	19.8	4.5	21.4			
TYRE								
Pirelli & C	7.080	(1.9)	8.6	4.6	8.8	3,022,991	4,112,117	4,618,372
Continental	59.490	(1.8)	21.2	3.2	23.7	538,431	511,324	590,875
Michelin	52.150	0.4	14.3	(5.1)	14.2	818,241	822,372	1,102,801
Nokian	27.290	(1.0)	10.7	(4.9)	9.7	644,462	755,276	920,376
AUTO								
Fiat Auto	15.430	1.8	24.3	(11.8)	26.8	39,454,653	29,763,020	40,524,074
Renault	33.390	2.3	24.5	10.2	24.6	1,495,831	1,300,512	1,866,781
Peugeot	14.440	(3.2)	16.7	(14.5)	19.2	2,474,596	2,019,335	2,514,817
Volkswagen	123.650	1.1	16.8	8.5	19.3	87,833	97,565	140,900
BMW	64.600	1.6	22.3	5.8	24.8	2,332,878	2,300,654	3,053,565
Daimler	42.700	1.8	24.1	9.3	25.9	5,733,563	5,573,199	6,455,925
USA								
TYRE								
Goodyear	13.500	(1.1)	(4.7)	(4.6)	(4.7)	3,861,049	4,685,364	5,668,007
Cooper	15.240	0.5	9.5	4.5	8.8	475,150	559,911	834,072
AUTO								
Ford	12.790	(3.0)	13.0	1.1	13.5	8,045,414	7,380,198	7,720,938
ASIA								
TYRE								
Bridgestone	1743.0	1.6	1.8	(4.7)	(0.1)	3,534,320	2,500,340	2,783,488
Sumitomo	1108.0	(1.0)	(1.1)	(6.3)	(1.2)	1,273,380	983,870	998,671
Toyo	193.0	3.2	8.4	2.7	10.3	317,600	257,133	296,122
Yokohama	456.0	1.3	5.1	1.8	5.6	1,048,600	1,239,000	1,249,156
Hankook	46250.0	(4.0)	3.2	0.8	2.2	993,538	690,568	978,670
Khumo	13800.0	19.0	31.4	16.5	32.7	1,744,032	659,570	573,376
AUTO								
Toyota	2838.0	4.0	13.2	9.8	10.6	9,125,900	6,163,563	6,858,021
Nissan	728.0	1.0	6.4	1.3	5.2	15,569,260	17,560,777	16,373,301

Source: Reuters

EUROPE: WEEKLY TREND 23/1/2012 – 27/01/2012 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

DJ STOXX AUTO & PARTS: +1.1%

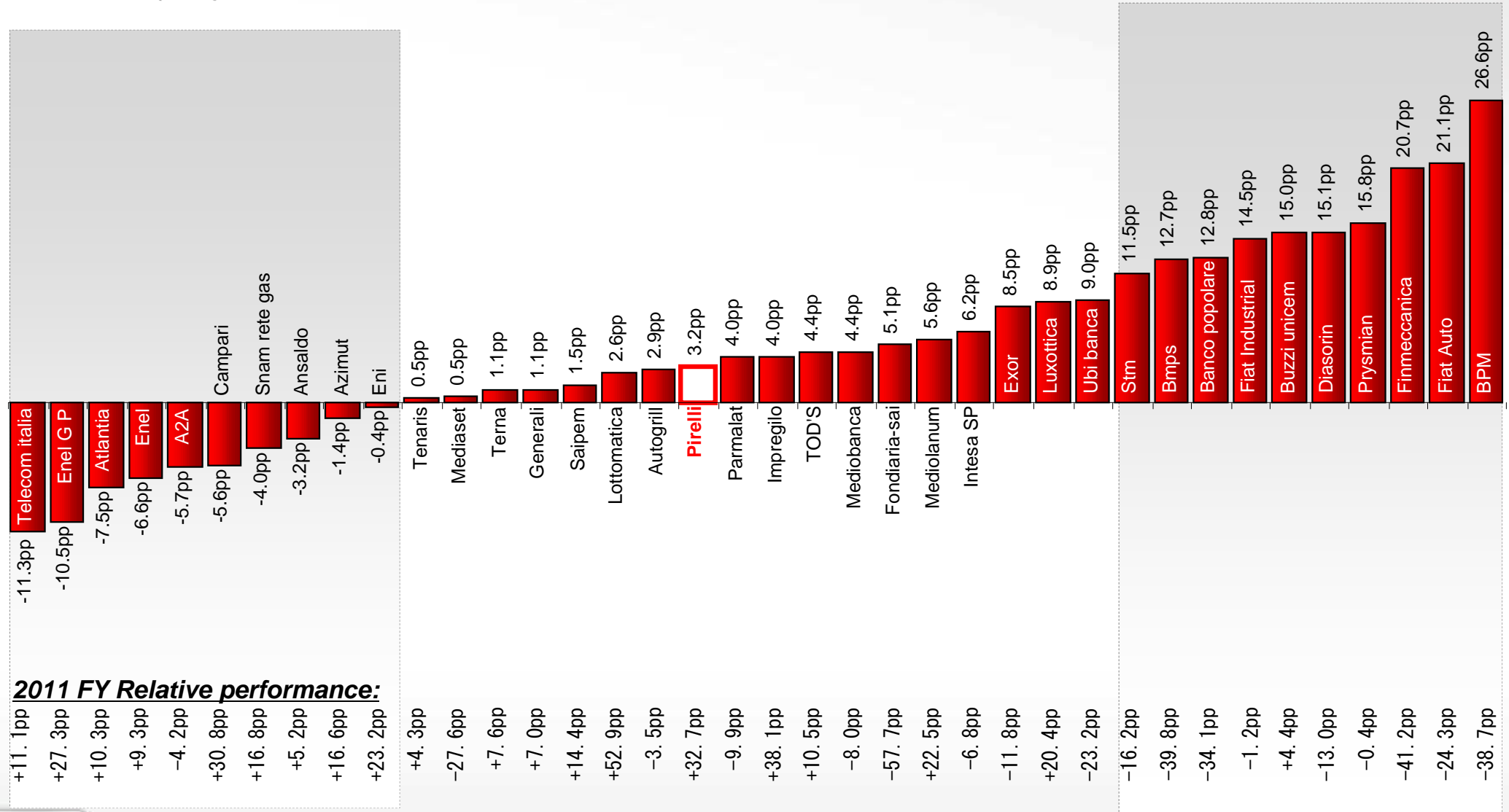
AUTO



Pirelli vs FTSE Mib relative performance (YTD)

Performance from January 1 to 27, 2012

FTSE Mib (YTD): +5.7%



2011 FY Relative performance:

+11.1pp
+27.3pp
+10.3pp
+9.3pp
-4.2pp
+30.8pp
+16.8pp
+5.2pp
+16.6pp
+23.2pp
+4.3pp
-27.6pp
+7.6pp
+7.0pp
+14.4pp
+52.9pp
-3.5pp
+32.7pp
-9.9pp
+38.1pp
+10.5pp
-8.0pp
-57.7pp
+22.5pp
-6.8pp
-11.8pp
+20.4pp
-23.2pp
-16.2pp
-39.8pp
-34.1pp
-1.2pp
+4.4pp
-13.0pp
-0.4pp
-41.2pp
-24.3pp
-38.7pp



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 30/01/2012

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 30-Jan-12													
		P/E			EV/SALES			EV/EBITDA			EV/EBIT		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
EUROPA	Michelin	7,2x	7,2x	6,5x	0,6x	0,5x	0,5x	4,0x	3,7x	3,3x	6,1x	5,6x	5,1x
	Continental	8,3x	7,7x	7,7x	0,6x	0,6x	0,6x	4,5x	4,1x	4,1x	6,5x	5,8x	5,8x
	Nokian	11,6x	11,4x	10,0x	2,5x	2,3x	2,0x	7,7x	7,5x	6,4x	9,2x	9,3x	7,9x
	Simple average	9,0x	8,8x	8,1x	1,2x	1,1x	1,0x	5,4x	5,1x	4,6x	7,3x	6,9x	6,3x
	Weighted average*	8,4x	8,0x	7,6x	0,9x	0,8x	0,7x	4,8x	4,4x	4,1x	6,7x	6,2x	5,9x
US	Goodyear	6,0x	4,6x	4,0x	0,3x	0,3x		2,9x	2,8x		4,6x	4,3x	
	Cooper Tire	12,1x	8,3x	5,9x	0,3x	0,3x		4,4x	3,3x		8,2x	5,5x	
	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	4,4x	0,3x	0,3x		3,2x	2,9x		5,4x	4,6x	
ASIA	Bridgestone	11,7x	8,5x	7,5x	0,6x	0,5x	0,5x	4,9x	3,9x	3,3x	8,9x	7,1x	5,8x
	Hankook	14,3x	11,4x	10,2x	1,7x	1,6x	1,5x	10,8x	8,5x	7,6x	15,3x	12,9x	11,9x
	Yokohama	10,0x	7,3x	7,0x	0,6x	0,5x	0,5x	4,6x	4,1x	3,6x			
	Sumitomo	10,7x	7,5x	6,5x	0,7x	0,6x	0,6x	5,5x	4,6x	4,2x	10,9x	8,6x	
	Simple average	11,7x	8,7x	7,8x	0,9x	0,8x	0,8x	6,5x	5,3x	4,7x	11,7x	9,6x	8,9x
Weighted average*	10,7x	7,8x	7,0x	0,6x	0,6x	0,5x	5,0x	4,1x	3,5x	7,2x	5,9x	4,6x	
TOT. WORLD	max	14,3x	11,4x	10,2x	2,5x	2,3x	2,0x	10,8x	8,5x	7,6x	15,3x	12,9x	11,9x
	min	6,0x	4,6x	4,0x	0,3x	0,3x	0,5x	2,9x	2,8x	3,3x	4,6x	4,3x	5,1x
	median	10,7x	7,7x	7,0x	0,6x	0,5x	0,6x	4,6x	4,1x	4,1x	8,5x	6,5x	5,8x
	Simple average	10,2x	8,2x	7,3x	0,9x	0,8x	0,9x	5,5x	4,7x	4,7x	8,7x	7,4x	7,3x
	Weighted average**	9,9x	8,2x	7,5x	0,8x	0,8x	0,7x	5,3x	4,6x	4,0x	8,0x	6,9x	5,6x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP			
Min	Local currency	€ adjustment	% on cluster
Michelin	€9.386	€9.386	18,5%
Continental	€12.058	€12.058	23,8%
Nokian	€3.541	€3.541	7,0%
Goodyear	\$3.298,81	€2.513	5,0%
Cooper Tire	\$949,16	€723	1,4%
Bridgestone	¥1.402.602	€13.931	27,5%
Yokohama	¥155.882	€1.548	3,1%
Sumitomo	¥240.158	€2.385	4,7%
Hankook	₩6.897.274	€4.639	9,1%
TOT.		€50.726	

