

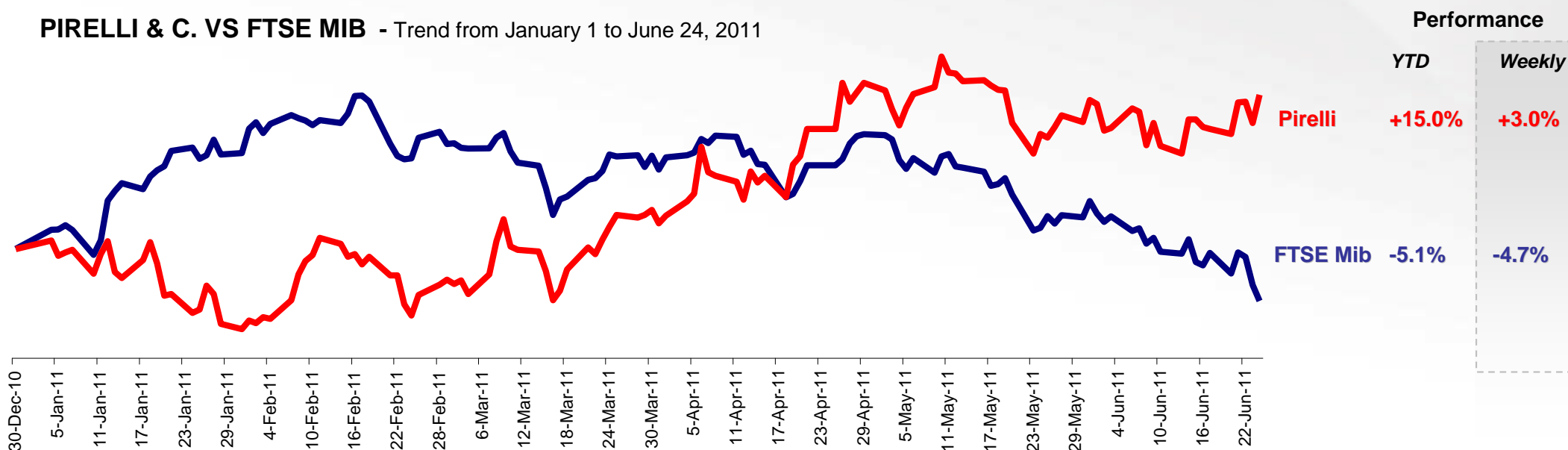


PEERS & MARKETS

20 June – 24 June 2011

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 1 to June 24, 2011



	Official Close 24 June	Percentage change				Daily average volumes		
		1 Week 20 Jun - 24 Jun	1 Month	3 Months	Year to date	1 Week 20 Jun - 24 Jun	1 Month	3 Months
Pirelli & C. Ord.	6.955	3.0	3.4	12.5	15.0	2,871,444	2,900,507	3,645,112
Pirelli & C. Risp.	5.635	1.3	(4.4)	(1.7)	0.4	17,710	20,073	28,748
Pirelli Real Estate	0.464	(7.3)	(8.7)	(15.8)	4.0	2,311,993	3,135,680	3,751,959
FTSE All Share	19882	(4.6)	(6.9)	(12.3)	(5.0)	1,133,557,101	1,127,576,582	1,153,361,250
FTSE MIB	19154	(4.7)	(6.9)	(13.0)	(5.1)	993,910,854	981,097,372	965,457,565

Sell side analysts evaluation on Pirelli & C (27/06/2011)

Consensus Target Price: € 8.22

Buy: 91%

% Sell: 4.5%

% Hold: 4.5%

Market Cap: €3,386.04 mln (of which ord. €3,318.3 mln)

Source: Reuters



Markets

	Official Close 24 June	Percentage change (%)			
		1 Week 20 Jun - 24 Jun	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	263.980	(1.2)	(4.1)	(4.3)	(4.3)
FTSE MIB	19154.360	(4.7)	(6.9)	(13.0)	(5.1)
FTSE 100	5697.720	(0.3)	(2.7)	(3.1)	(3.4)
DAX	7121.380	(0.6)	(0.4)	2.7	3.0
CAC 40	3784.800	(1.0)	(3.4)	(4.6)	(0.5)
IBEX 35	9812.700	(3.2)	(3.0)	(8.8)	(0.5)
OMX Stockholm	6367.440	(2.5)	(11.8)	(13.5)	(16.9)
FTSE ATHEX	1239.600	(2.7)	(4.5)	(27.0)	(17.2)
UNITED STATES					
DJ Industr. Average	12050.000	(0.6)	(3.4)	(1.9)	3.1
S&P 500	1283.500	(0.2)	(3.6)	(3.1)	0.9
NASDAQ Composite	2652.890	1.4	(3.4)	(3.1)	0.0
ASIA					
SSE Composite (Cina)	2746.211	3.9	(0.8)	(6.8)	(2.2)
Nikkei 225 (Giappone)	9678.710	3.5	2.1	2.6	(5.4)
Hang Seng (HK)	22171.950	2.2	(2.5)	(3.2)	(3.7)
All ordinaries (Australia)	4565.048	0.3	(3.0)	(4.8)	(5.8)
Strait Times (Singapore)	3066.850	2.0	(1.5)	0.8	(3.9)
BSE 30 (India)	18240.680	2.1	1.3	(0.6)	(11.1)
EMIRATES					
Abu Dhabi	2718.430	(2.1)	4.6	3.2	(0.1)
Dubai	1521.150	(4.9)	(0.9)	(2.0)	(6.7)
LATAM					
Bovespa (Brasile)	61016.720	0.2	(3.7)	(9.6)	(12.0)
IPC (Messico)	35326.660	0.9	(0.1)	(4.1)	(8.3)
Merval (Argentina)	3287.620	1.6	0.2	(1.8)	(6.7)

Source: Reuters

	Official Close 24 June	Percentage change (%)			
		1 Week 20 Jun - 24 Jun	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	263.980	(1.2)	(4.1)	(4.3)	(4.3)
Auto	356.340	3.6	5.0	7.8	4.4
Banks	177.200	(4.3)	(6.4)	(14.0)	(9.7)
Basic Resources	543.450	1.3	(3.3)	(7.9)	(14.4)
Chemical	579.360	(0.7)	(1.1)	5.0	2.0
Construction & Material	267.840	(2.2)	(6.0)	(7.4)	(5.2)
Industrial	483.070	(0.7)	(2.4)	(2.4)	(1.0)
Insurance	155.340	(3.1)	(3.4)	(8.3)	0.6
Finance	247.810	(2.3)	(8.0)	(8.0)	(7.5)
Food & Beverage	361.770	(0.2)	(1.6)	5.2	(0.7)
FTSE EPRA Eu Residential	1738.770	(1.8)	(2.7)	(2.9)	0.7
Media	170.650	(0.8)	(3.8)	(4.5)	(5.6)
Oil&Gas	311.730	(1.6)	(5.5)	(11.3)	(6.3)
Retail	251.320	(0.7)	(6.5)	(1.9)	(6.5)
Tech.	207.300	(1.3)	(8.3)	(7.2)	(3.9)
TLC	255.180	(0.1)	(4.8)	(8.3)	(5.1)
Travel & Leisure	122.340	1.7	(2.4)	(0.8)	(8.6)
Utilities	295.890	(2.3)	(5.0)	(6.0)	(5.4)
UNITED STATES					
S&P 500	1283.500	(0.2)	(3.6)	(3.1)	18.1
Auto	156.680	3.5	(6.6)	(9.6)	29.6
Banks	202.930	(1.3)	(4.7)	(12.7)	(5.1)
Basic Resources	278.290	3.0	(4.2)	(11.6)	25.2
Chemical	361.34	3.17	(0.15)	0.42	42.23
Construction & Materials	259.600	2.4	0.8	(3.3)	6.0
Industrial	328.260	0.5	(2.6)	(3.6)	25.7
Food & Beverage	323.720	(0.4)	(2.7)	3.8	20.8
Media	352.760	0.3	(4.3)	(2.7)	26.3
Oil&Gas	615.650	(1.2)	(4.6)	(8.6)	34.6
Insurance	265.030	(0.2)	(4.5)	(6.1)	8.5
Finance	272.270	(0.9)	(4.3)	(7.6)	5.7
RE	228.890	(0.4)	(2.5)	1.7	20.9
Retail	228.890	(0.4)	(2.5)	1.7	20.9
Tech.	653.700	0.9	(4.2)	(6.0)	13.5
Tyres	56.550	7.0	(7.3)	(3.1)	25.2
TLC	136.800	0.1	(3.6)	3.0	24.2
Utilities	160.490	(0.5)	(1.9)	3.6	15.8



Pirelli & C. vs Auto & Parts Sector

	Official Close 24 June	Percentage change				Daily average volumes		
		1 Week 20 - 24 Jun	1 Month	3 Months	Year to date	1 Week 20 - 24 Jun	1 Month	3 Months
EUROPE								
DJ Stoxx Auto	356.340	3.6	5.0	7.8	4.4			
TYRE								
Pirelli & C	6.955	3.0	3.4	12.5	15.0	2,871,444	2,900,507	3,645,112
Continental	67.360	0.2	(1.5)	10.8	13.9	467,283	644,411	641,160
Michelin	64.060	2.1	1.8	5.5	19.3	914,535	930,726	1,054,895
Nokian	32.030	(1.4)	1.2	9.0	16.7	507,784	483,512	596,510
AUTO								
Fiat Auto	15.430	0.6	0.7	7.1	3.8	17,979,395	20,464,835	23,566,400
Renault	39.165	5.8	1.2	2.0	(10.0)	2,165,596	1,736,338	2,126,531
Peugeot	29.870	3.0	3.7	7.3	5.1	1,667,362	1,628,402	1,655,583
Volkswagen	122.950	3.4	10.8	16.8	16.1	179,624	148,278	167,482
BMW	67.130	4.6	11.4	16.5	14.1	3,188,788	2,576,698	2,969,290
Daimler	49.020	3.5	2.3	0.0	(3.4)	5,290,804	4,777,825	6,223,213
USA								
TYRE								
Goodyear	15.880	7.3	(5.1)	5.2	34.0	4,996,051	6,282,307	6,986,172
Cooper	19.900	6.2	(13.4)	(22.3)	(15.6)	605,098	603,151	660,421
AUTO								
Ford	13.470	3.6	(9.7)	(12.0)	(21.1)	9,318,774	10,488,707	10,066,149
ASIA								
TYRE								
Bridgestone	1783.0	0.6	(0.5)	2.6	13.6	2,955,300	3,400,170	4,317,317
Sumitomo	1068.0	1.3	3.4	13.8	12.5	1,053,840	1,284,830	1,429,331
Toyo	192.0	(3.5)	3.8	(5.9)	(2.0)	713,400	663,567	977,589
Yokohama	442.0	1.8	6.5	12.5	5.2	1,237,600	1,664,700	1,815,956
Hankook	44300.0	6.5	3.5	31.5	39.5	660,852	845,641	934,786
Khumo	16200.0	6.2	0.6	10.6	17.0	633,407	533,862	440,972
AUTO								
Toyota	3285.0	3.5	1.2	2.2	2.0	5,549,840	6,775,710	9,999,370
Nissan	844.0	5.5	8.1	25.8	9.2	23,263,440	18,632,400	22,240,178

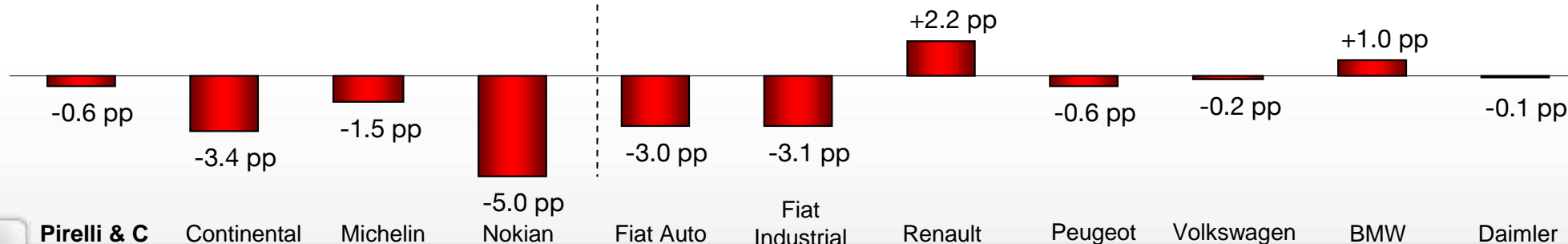
Source: Reuters

EUROPE: WEEKLY TREND 20/06/2011 – 24/06/2011 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

DJ STOXX AUTO & PARTS: +3.6%

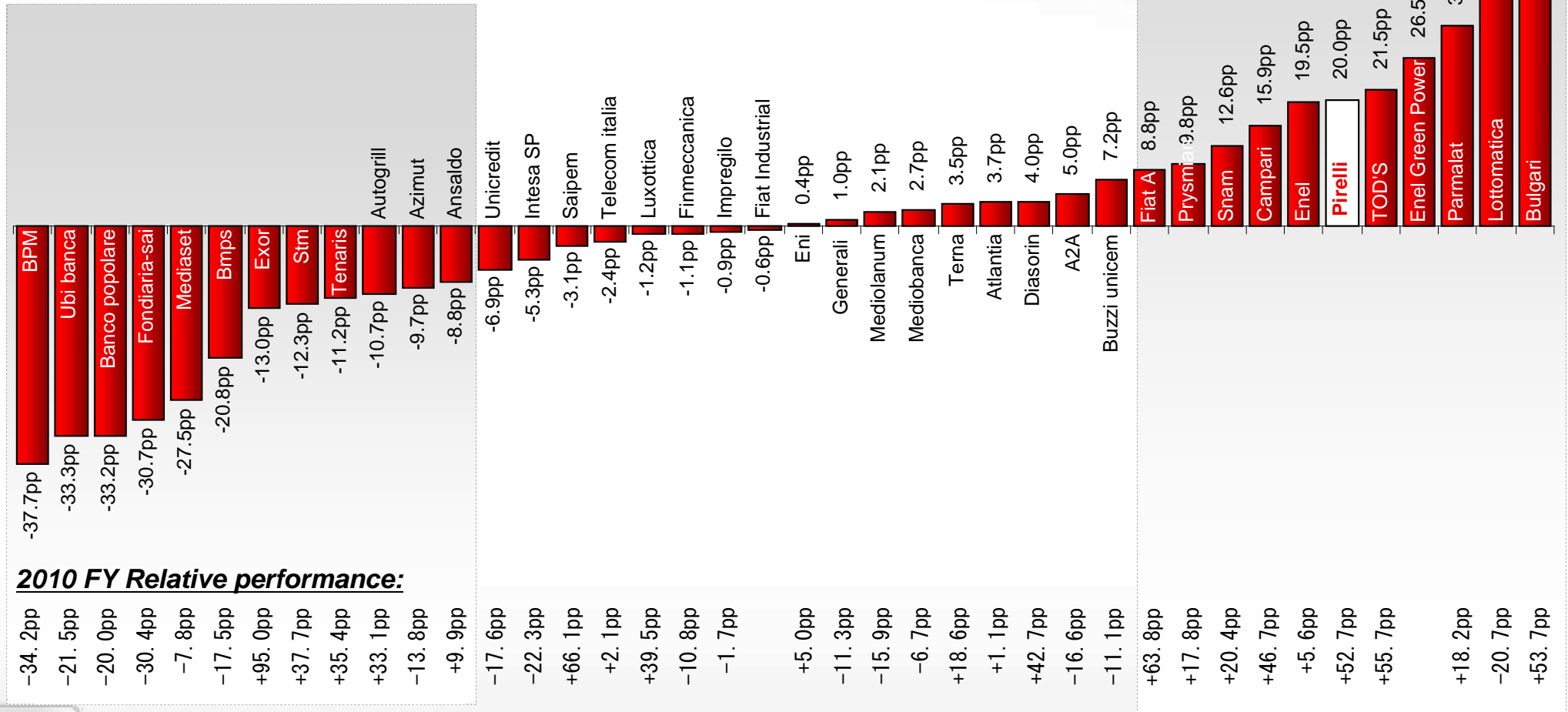
AUTO



Pirelli vs FTSE Mib relative performance (YTD)

FTSE Mib (YTD): -5.1%

Performance from January 1 to June 24, 2011



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 27/06/2011

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 27-Jun-11													
		P/E			EV/SALES			EV/EBITDA			EV/EBIT		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
EUROPA	Michelin	9.4x	8.1x	7.2x	0.7x	0.6x	0.6x	4.7x	4.2x	3.7x	7.2x	6.2x	5.5x
	Continental	9.5x	7.7x	7.7x	0.7x	0.6x	0.6x	4.9x	4.2x	4.2x	7.0x	5.9x	5.9x
	Nokian	14.4x	12.4x	11.0x	2.9x	2.5x	2.1x	9.4x	8.1x	7.0x	11.1x	9.5x	8.2x
	Simple average	11.1x	9.4x	8.6x	1.4x	1.2x	1.1x	6.3x	5.5x	5.0x	8.4x	7.2x	6.5x
	Weighted average *	10.2x	8.5x	8.0x	1.0x	0.9x	0.8x	5.5x	4.8x	4.4x	7.7x	6.5x	6.1x
US	Goodyear	15.2x	6.6x	5.0x	0.3x	0.3x		4.4x	3.5x		7.4x	5.5x	
	Cooper Tire	8.5x	7.3x		0.3x	0.3x		3.7x	3.0x		5.7x	4.6x	
	Simple average	11.8x	6.9x		0.3x	0.3x		4.0x	3.3x		6.6x	5.0x	
	Weighted average *	13.6x	6.8x		0.3x	0.3x		4.2x	3.4x		7.0x	5.3x	
ASIA	Bridgestone	13.7x	10.2x	9.1x	0.6x	0.5x	0.5x	5.1x	4.3x	3.8x	10.2x	8.3x	
	Hankook	13.2x	11.4x	10.2x	1.4x	1.3x	1.1x	8.6x	7.4x	6.3x	12.3x	10.2x	8.5x
	Yokohama	11.7x	13.3x	9.6x	0.6x	0.6x	0.5x	5.4x	6.8x	5.2x	10.8x	13.8x	11.0x
	Sumitomo	14.1x	9.2x	8.1x	0.7x	0.6x	0.6x	6.0x	4.9x	4.3x	11.3x	8.4x	
	Simple average	13.2x	11.0x	9.3x	0.8x	0.8x	0.7x	6.3x	5.9x	4.9x	11.1x	10.2x	9.8x
	Weighted average *	12.0x	9.7x	8.4x	0.6x	0.6x	0.5x	5.0x	4.6x	3.9x	9.5x	8.6x	2.5x
TOT. WORLD	max	15.2x	13.3x	11.0x	2.9x	2.5x	2.1x	9.4x	8.1x	7.0x	12.3x	13.8x	11.0x
	min	8.5x	6.6x	5.0x	0.3x	0.3x	0.5x	3.7x	3.0x	3.7x	5.7x	4.6x	5.5x
	median	13.2x	9.2x	8.6x	0.7x	0.6x	0.6x	5.1x	4.3x	4.3x	10.2x	8.3x	8.2x
	Simple average	12.2x	9.6x	8.5x	0.9x	0.8x	0.9x	5.8x	5.2x	4.9x	9.2x	8.0x	7.8x
	Weighted average **	11.7x	9.2x	8.2x	0.9x	0.8x	0.7x	5.6x	4.8x	4.1x	8.8x	7.4x	4.3x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP			
Mln	Local currency	€ adjustment	% on cluster
	Michelin	€11.494	21,6%
	Continental	€13.446	25,2%
	Nokian	€4.151	7,8%
	Goodyear	\$3.877.01	5,1%
	Cooper Tire	\$1.235.73	1,6%
	Bridgestone	¥1.457.893	23,9%
	Yokohama	¥151.771	2,5%
	Sumitomo	¥250.680	4,1%
	Hankook	₩6.600.370	8,1%
	TOT.	€53.267	

